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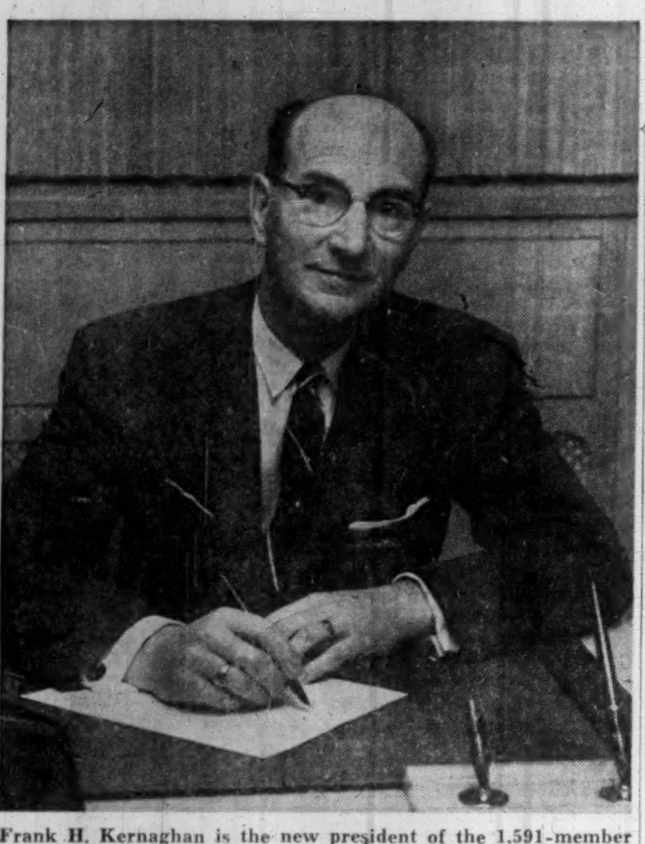
Heads Halifax Board



Frank H. Kernaghan is the new president of the 1,591-member Halifax Board of Trade, founded in 1750 and oldest board in North America. Mr. Kernaghan, born in Toronto, is General Manager of Simpsons-Sears (Atlantic Provinces). He has been a member of the Halifax board since 1946, a member of its council since 1956 and vice-president for the past two years.

NATION'S BUSINESS

The Big Mystery

Here we attempt a plain man's guide to the big mystery—with particular reference to world defence policies.

Nobody anywhere really knows the right thing to do about defence. There are several reasons for this state of innocence.

Nobody knows when major conflict is going to take place so nobody knows whether we should be stocking up on defence things we can produce now for war next week, or on stuff we know we can produce some time in the future. Nobody knows how soon something planned today will be outmoded by the time it is ready.

Reviling either the past or the present masters of Canadian defence policies is neither fair nor justified. They very properly and inevitably went along with our allies in basic defence concepts, and, because our allies are so much more powerful, we were inevitably very junior partners in framing basic policies.

Those basic policies tried to do two things: To be partly ready for little wars tomorrow morning, and to have some rudimentary framework of readiness for big wars sometime.

Inevitably also those policies must be based on what governments believe they can reasonably expect their citizens to put up with in taxation to pay for defence. Everyone dislikes taxes but no one would claim the bigness or smallness of defence expenditures, and its contribution to the tax load, had anything to do with the outcome of recent elections in any English-speaking country. Certainly in Canada, all political parties and all citizens who ever think about such things were in no significant disagreement about the size (i.e. cost) of our defence.

The truth as to whether the Arrow airplane is now obsolete will only be known sometime in the future. If there is big war shortly, we will be sorry we haven't got Arrows. If no major war comes for some years, if ever, we will be glad we spent no more money on the Arrow. But when it was made, the decision to develop the Arrow was a good one. Early this week Mr. Diefenbaker, defending his decision to kill the Arrow, had the wisdom and fairness to defend the Liberals for that decision at the time they made it.

But the great headlines singing the requiem of the Arrow and saying $400 to $450 million are "down the drain" are wildly misleading.

By No Means a Total Loss

Most of the millions spent on the development of the Arrow and its engines were, in some form or another, paid back to Canadians—to Avro and Orenda workers, to workers in some 650 subcontracting plants and major suppliers throughout Canada. Quite a few new plants were established in sundry Canadian communities to produce parts and minimize imports.

We don't suggest or defend "make-work" schemes, but all defence machinery is doomed to extremely rapid obsolescence—or better still, to total uselessness by peace. The point is, the money spent on the Arrow was injected in a thousand ways into the Canadian economy. It wasn't "lost."

Another important point: At least half of those Avro and Orenda millions were recaptured in various forms of taxes by federal, provincial or municipal governments. In effect, then, defence work done in Canada, costs the Canadian people about half what defence work done outside our country costs us.

So in purely financial terms, the great Arrow project was by no means a total "loss." Certainly it was not in what it did to advance Canadian technology. There it was excellent.

If the current dope on the Russians is even close to being right, the vast expenditures made on the Pine Tree, Dew Line and McGill radar fences are also "down the drain." If they aren't totally obsolete today, it seems certain they will be in a year or so.

But these vast projects provide a very major and permanent pay-off for Canada. Every one of the Pine Tree and Dew Line stations and the ancillary equipment—including landing strips at many of them—has created an outpost for our northern development.

Regardless of what value there ever is to the electronic gear in these many dots in our wilderness, each of these stations provides a focal point for permanent civilian development which wouldn't have otherwise happened for some or many decades.

Right now, the air is filled with people telling our government what it ought to do about defence policy.

All of us have for months been reading solemn pronouncements especially from U. S. military brass about the "time-table" of defence needs. This purports to tell in intimate detail what weapons the Russians have and will have, then recites what our side should have and when.

We don't believe the Russians have suddenly opened their secrets to the Americans. We don't believe the Americans have reciprocated. So-called intelligence is at best, weak and marginal.

We know that both the Russians and Americans have positively enormous propaganda organizations. Both sides are trying to fool each other with their public pronouncements.

So the plain man may well be excused if he listens to this solemn arithmetic about destruction schemes with alarm, but without great conviction that the talkers precisely know what they are talking about—or necessarily mean what they say.

But he should also recognize it as a terrifying truth that the West and its propagandists have for decades been constantly underestimating Russian capacities.

But here we have one safe conclusion: Whatever our government does, it will be proven wrong by events. If war comes soon, it won't have done enough. If war comes later, it will have invested many more millions in weapons which became obsolete before they were needed because of the race of technology. To our defence planners, we extend sincere sympathies and good wishes. And God help us all.

FIRST EXPEDITION

Start Exploring Our Arctic Shelf

Undersea rock beyond the Arctic islands may hold vast oil resources . . .

By LESLIE WILSON

OTTAWA (Staff) — Next month, Canada will send the first of a series of annual expeditions to see what minerals our Arctic continental shelf contains.

Some geologists believe it contains vast oil resources.

The undersea formations are continuations of the geological structures found in the adjacent northern islands — structures which sparked the present oil rush in the islands (**FP**, Feb. 21).

The continental shelf extends in a ribbon 50 to 200 miles wide north of the Canadian Arctic mainland and islands.

By the Law of the Sea Convention adopted last year by 86 nations (**FP**, May 3) we have rights to all minerals found in about 1,000 miles of the shelf, from the Alaskan border to Greenland.

This year's expedition will consist of 15 men who will spend six months exploring about 200 miles of the shelf, east and west of Ellef Ringnes Island.

Ellef Ringnes Island is due north of the west shore of Hudson Bay.

The 15 will make depth soundings, navigational, geological, and other studies; and work out exploration techniques to be used by subseqent expeditions.

They will use a Beaver and an Otter aircraft, landing on skis until the Arctic ice breaks up in July, when they will switch to floats.

From 1960 on, the expeditions will consist of 35 to 40 men who will explore the remainder of the shelf; a tentative annual budget of $600,000 has been fixed for this exploration.

At present Canada has little precise information about the shelf. What we do know about its probable boundaries comes from Russian explorations and charts, not from our own.

Peace River Plant For 'Rich' Uranium?

Here are both sides of this important and significant debate . . .

Should Canada build its own plant to produce enriched uranium?

Peace River Power Development Co., with big power plans in northern British Columbia, says it should — and is willing to let Ottawa have first chance at one million hp to do the job.

Uranium officials in Eastern Canada don't agree, because of the cost — up to $1,000 million — and the fact the U. S. is already in the field.

Here are the arguments from both sides:

The backers of the Peace River power project.

In a comparatively few years the uranium industry, growing explosively, has pushed to the point where uranium concentrates are Canada's third largest export in dollar terms.

But heavily dependent on sales contracts with the U. S. — also a large producer — the industry's long-term future is uncertain.

Loss of this market would be a staggering blow not only to the uranium industry itself but to Canada's whole trade balance.

Peace River Power Development Co., with plans to develop a minimum of four million hp in B. C.'s northland, claims it could supply the huge quantities of low-priced power necessary to operate a diffusion plant.

Estimates place power de-

(Continued on page 10, col. 4)

You Pay Extra to Go Jet: No Air Fare Chaos in '59

By CLIVE BAXTER

MONTREAL (Staff) — There will be no fare war amongst the airlines this year.

This week at the special Paris air fare meeting called by International Air Transport Association the world's carriers managed to agree on a new fare structure.

It will cost you between 5% and 10% more to fly the Atlantic by jet from April 1.

This is a major victory for the non-jet operators led in the battle by Italy.

There was a serious risk that the carriers would be unable to settle their differences by March 31 when the present fare structure expires.

Reports filtering out of Paris suggest the meeting got off to a bad start with every indication that the pro and anti jet surcharge forces would stick to the positions they took up last fall at Cannes—when tempers became so frayed IATA had to call a four-month "cooling off" period.

But over last weekend a compromise was reached.

Initially the surcharge supporters were asking for a thumping 30%. This was quite unacceptable to the airlines with jets on order.

The big question now in airline circles: Will the new, more moderate surcharge damage jet bookings?

At mid-week reports from Paris indicated the surcharge would amount to somewhere between $20 and $30 on a $440 economy round trip ticket, proportionately more for first class.

This settlement promises to test something that has had airline men arguing for years: Is price or speed the deciding factor in winning a passenger's business?

Introduction of economy fares over the Atlantic last year brought on a wave of record bookings in a recession year that saw loads down on almost every other world route.

Passengers seemed content to put up with less comfort to save money.

Here's why they report bank loans

Inspector-General

Why does Ottawa want a monthly report from the chartered banks naming the names of big borrowers and the current size of their loan?

Last week FP revealed that Ottawa is now demanding on a regular basis more information of this kind, and the revelation created a fuss in the House of Commons. Previously very few, outside banking circles, realized this was going on at all.

For the Ottawa side of this controversy see p. 9.

KEEP PRESTIGE

They're Declaring War On Discount Retailers

By RAY MAGLADRY

The fight is getting sharper for your buying dollar.

Consumer product makers are pepping up their plans to meet the growing challenge of discount and loss-leader selling.

- **A leading electric shaver manufacturer** is tossing the traditional wholesale pattern overboard, going in for direct distribution to retailers.
- **Several makers of consumer products** are bringing out new low-priced lines, backing them with warranties and service, to battle the inroads of discount houses.
- **Most major firms** are holding to their long-standing distribution system (maker-to-wholesaler-to-retailer).

But more than ever before; they are backing it up with strong advertising and promotion campaigns to maintain brand name prestige.

All manufacturers in consumer field have one thing in common:

They are concerned with the steady inroads of discount houses, loss-leader selling of brand items by some retailers.

Latest firm to move against the threat:

Schick (Canada) Ltd., which has eliminated wholesalers in favor of selling direct to retailers.

Company has become alarmed at what it calls "chaotic conditions which have prevailed in electric shaver industry for 10 years."

But its major competitors in this field are standing by the traditional wholesaler system of marketing.

Neither **Remington** nor

(Continued on page 8, col. 2)

Newfoundland Free Port First Report 'Favorable'

OTTAWA (Staff) — The government has turned the Mortier Bay project over to an interdepartmental committee which is expected to submit a "favorable" report to the cabinet shortly.

But government action on the **Mortier Bay Development Co.'s** scheme of establishing a free port on the south coast of Newfoundland is still problematical and may be a year or more away.

Reasons:

- **Government economists** want to see what shipping patterns develop after the opening of the St. Lawrence Seaway this summer.
- **Substantial government investment** in such a project in Newfoundland would bring protests from the other Maritime Provinces. The implications of such an investment must be assessed.
- **If accepted,** the Mortier Bay proposal could make a fundamental change in Seaway shipping patterns.

The government must still study possible results of such a change on our relations with the U. S.

Mortier Bay Development Co. was formed last year (**FP**, June 14). President is C. F. MacLellan, a Toronto transportation specialist.

This is the proposal:

Make Mortier Bay a free port and transshipment point for cargo to and from the Great Lakes area.

"Lakers" could carry grain down the Seaway, pick up iron ore at Seven Islands for the return journey.

Mortier Bay is 30 miles west of Cape Race, and is 1,000 miles closer to the markets of Europe, Africa and Asia than any other point.

Lakers using the Seaway operate at lower cost than deep-sea ships.

Cargo transshipped via Mortier Bay could be moved at low Seaway rates 1,000 miles east of Montreal and several hundred miles east of present Maritimes ports.

The hitch:

Mortier Bay is a natural but remote harbor. To build a big port here would require enormous investment from either private sources or government.

If the investment were forthcoming from private sources, government backing — to ward off the political and perhaps diplomatic pressures—would be necessary.

If the necessary investment is not forthcoming from private sources, the government must help in building harbor and perhaps warehouse facilities.

Either way, government backing is necessary.

The proposal went to the government last spring. Last fall, a committee was established to study the project—representatives of Privy Council, Trade and Commerce, Transport and Public Works Departments.

Their report will be studied by the cabinet shortly. But the implications of the report will have to be assessed by other government agencies—i.e., External Affairs Department, Harbors Board — before a decision is taken.

Biggest Bug Killer Order To Fight 'Hopper Scourge

By W. L. DACK

First move in "Operation Dieldrin" is under way this week.

It's a $1 million chemical warfare attack on a threatened grasshopper scourge in Saskatchewan this summer.

The project involves the biggest single order of insecticide ever placed in Canada: 250,000 gal. of dieldrin bug killer.

Purchaser: Saskatchewan government.

Supplier: **Shell Oil Co. of Canada.**

Shell's Toronto blending plant has started putting together the huge order. First shipment is on its way west now.

Soil egg counts last fall predicted one of the heaviest grasshopper infestations on record for large sections of southwest Saskatchewan farmland this spring and summer.

In a quick move, alarmed provincial agricultural authorities placed the heavy insecticide order with Shell.

Enough of the dieldrin was ordered to spray seven million acres of rich wheatland.

So potent is the chemical that one ounce to an acre usually is effective.

The dieldrin is sprayed over the fields in May or early June when the grasshopper is young and the chemical most effective.

The Saskatchewan government will sell the insecticide to municipalities in the affected area at cost, plus a small transportation charge.

The municipalities in turn will sell it to farmers.

Municipal officials have the power to spray a farmer's field if infestation is heavy and he hasn't done anything about it. They bill him afterwards.

Saskatchewan government will start "Operation Dieldrin" off with a big bang in March in special briefing sessions with farm and municipal officials.

COMPLETE CHANGE

What Our New Defence Policy Means to You

Canadian industry won't get any more Canadian orders for technical air equipment . . .

By MICHAEL BARKWAY

OTTAWA (Staff)—Canadian industry will get no new orders from the Canadian government for any of the technical equipment required for air defence.

That's the essence of Ottawa's new cost-sharing defence production arrangement.

It is a complete change from the cost-sharing arrangements made with the U. S. before. And it is important that every firm that aspires to produce any air defence equipment understands these points:

- **Any work placed in Canadian factories** for the advanced electronic or other gadgets of a modern air defence system will be placed, and paid for by the U. S. government — either directly or through a prime contractor.
- **The Canadian government has given up the effort** to have Canadian industry design or produce the advanced equipment of Canada's air defence forces.
- **No money is allotted at present to pay any Canadian industry** for the design or development or production of any technologically-advanced equipment in the air defence field.

This applies to all forms of electronics, radars, aircraft equipment, missile components, computer parts or any similar new developments of the missile age.

This whole range of technical equipment has been handed over to the U. S. in the new joint air defence plans.

Canadian firms, who produce or aspire to produce any of these advanced gadgets, must seek their orders in the U. S.

The U. S. government has promised to assist them; and a few orders have already been placed in Canada.

All "technical equipment" required for the new air defence plan will come within the two thirds of total cost which the U. S. government pays.

(Continued on page 8, col. 2)

CARS

Maritimers Keep Buying And Pay Cash

In the Atlantic Provinces they go on buying new cars even when sales are lagging elsewhere in Canada.

And it's more cash, less credit.

Newfoundland, Nova Scotia and Prince Edward Island appear in the latest DBS report as three provinces where car sales rose both in number and dollar value in 1958 over 1957. Sales were down in New Brunswick.

Of the total Maritimes dollar value, 26.4% was financed, compared with 32% last year.

Other provinces where car sales increased were Ontario and Saskatchewan.

They fell in Quebec, Alberta and British Columbia and stayed approximately the same in Manitoba.

Total car sales in Canada dropped from 382,023 to 376,084. But dollar value rose from $1,087 million to $1,109 million. Of this, 30% was financed in 1958 compared with 35.3% in 1957.

How Much Recovery?

The Outlook

An FP roundup of the latest facts and expert opinion on the economic weather ahead . . .

By DALTON ROBERTSON

Canada's recovery is lagging along behind the faster pace being set by U. S. industry. This lag persists despite the fact the recession began earlier here and Canada had less lost ground to recover than did the U. S.

▸ **Industrial production in Canada has been stuck on a plateau for most of the year while output in the U. S. has been rising month by month.**

Discounting seasonal factors to get a better guide, manufacturing output here is only halfway back to boomtime peaks and has been in that position since early last year. In the U. S., by contrast, factory output has recovered almost all of its 13% recession loss.

▸ **Railway car loadings mirror the slower recovery in Canada.** In the first six weeks of this year, U. S. loadings were up 2.4% over a year earlier while in Canada they were down 2.2% in the first five weeks.

▸ **Corporate profits are firmly on the uptrend in the U. S. while in Canada there are still only somewhat spotty signs that the turn in profits has come.**

This comeback is of crucial importance to business and the economy. With higher profits and sharper competition, there's more spending on new facilities bringing, in turn, higher profits and employment in other heavy industry sectors of the economy.

* * *

In the U. S., expanding production coupled with an improvement in productivity has produced some dramatic examples of profit gains. In a U. S. News & World Report list of 55 "early-bird" companies reporting fourth quarter 1958 profits, 43 chalk up year-to-year gains as against only 12 showing declines.

You get companies such as **Alcoa** and **Standard Oil** which are tied to still-weak international commodity markets reporting declines of 30% and 36%, but most firms catering to the domestic market are marking up gains.

Ford, for example, doubled its net, fourth quarter to fourth quarter. But more typical of the over-all trend, **Union Carbide**

(Continued on page 10, col. 2)

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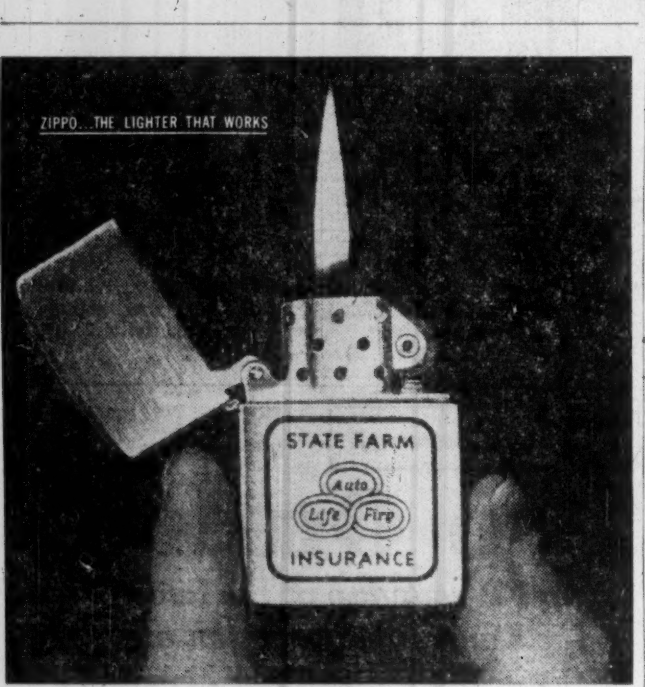

How companies win and keep friends with Zippo lighters

Many companies give Zippos—the world's most dependable lighters—to promote good customer relations, spur incentive and safety programs and keep the company name in the public eye.

A Zippo lighter is a *wanted* gift. It is not a cheap give-away that is soon broken and forgotten. The Zippos you give now will be working to *keep* friends for your company for years to come. If a Zippo *ever* fails to work—we *guarantee to fix it free!*

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Trend of Business

January exports down 10%. Month's sales of Canadian goods abroad realized $350.2 million, a decline of $39.4 million from a year ago. Most of this was due to a 13.2% drop in exports to the U. S. valued at $200 million. Shipments to the U. K. were off 10% at $55.4 million. Sales to other Commonwealth countries rose from $22.7 million to $25 million.

Manufacturing output 2% lower in 1958. Year's shipments, valued at $21,645 million, fell $420 million below the previous year's total. The final quarter showed a 2% gain on comparable 1957 values, offsetting to some extent year-to-year declines of 6% in the first quarter, 2% in the second and 1% in the third.

Value of inventory owned by the manufacturers at the end of the year $3,913 million was 1% higher than at the end of the previous month but some $197 million, or 5% below December, 1957. Raw material inventories at $1,963 million were also down 5% on the year.

New orders received during December were valued at $1,786 million, down 1.5% from new November orders but 6% higher than in the same month a year earlier. November-December changes in previous years have not shown any regular pattern. New orders were $9.9 million higher than shipments, raising unfilled orders at the end of the year to $2,129 million. This was 6% below the 1957 level.

Department stores have record year. Cross-Canada sales increased 4.7% in 1958 to $1,341 million from 1957's previous peak of $1,281 million. All regions and all except two of the departments reported gains over a year earlier. The two: radio and music and aprons, housedresses and uniforms. December sales were up 9.4% to $187.5 million.

Motor vehicle sales sag to five-year low. Sales in 1958 totaled 444,098 units, the lowest since 1953. Year's total was 3.1% smaller than 1957's 458,299 units and 11.2% below 1956's record high of 499,921. New car sales dropped 1.6% from the previous year to 376,084 units but their retail value was slightly higher at $1,108 million. Sales of commercial vehicles were off 10.8% in number and 9.6% in value.

One in five are foreign. Sales of British and European vehicles, included in above sales, climbed 53.5% in 1958 to a record high of 82,573 units. This exceeded by 22% the previous peak of 67,506 units reached in 1950. Most of these imported vehicles were passenger cars—75,889 units.

A look next door. U. S. steel production hits 86.1% of rated capacity—highest level in two years—with big demand from automotive, construction and railroad industries, reports Dun & Bradstreet in weekly trade review. Output of electrical power was up 6% and coal production 3.5%. Carloadings were 6.4% heavier than a year ago and bank clearings ahead by 6.6%. Business failures were 8.5% fewer than in the same period of 1958.

Highways and byways becoming safer? Fatalities resulting from motor accidents in December numbered 243, a decline of 22% from 313 auto death in the same month of 1957. Toll by provinces: Newfoundland, 1 (4 a year earlier); P.E.I., nil (1); Nova Scotia, 17 (17); New Brunswick, 8 (17); Quebec, 47 (80); Ontario, 100 (120); Manitoba, 11 (4); Saskatchewan, 5 (10); Alberta, 19 (22); British Columbia, 34 (38); and the Yukon and N.W.T., 1 (nil).

Sawn lumber see-saws. Production in British Columbia rose 12.5% in 1958 to 4,843 million ft., while output in the other provinces fell 12.1% to 2,213 million ft. December production on the west coast increased 16.6% to 351 million ft. and in the rest of Canada a steeper 53% to 115 million ft.

Major Weekly Indicators

		Latest Date or Week Ended		Previous Week	Previous Month	Year Ago
Department store sales, % change from year earlier		(Feb. 14)	+5.6%	+6.1%	+4.0%	+3.4%
Carloading totals		(Feb. 7)	65,767	†95,890	48,428	66,437
Eastern Canada		(Feb. 7)	43,205	†63,492	30,942	43,571
Western Canada		(Feb. 7)	22,562	†32,398	17,486	22,866
Iron and steel mfg.		(Feb. 7)	1,149	†1,756	806	1,186
Ores, concentrates		(Feb. 7)	3,523	†4,936	2,533	2,920
Base metals		(Feb. 7)	509	†646	340	482
Lumber, timber, plywood		(Feb. 7)	3,804	†5,193	1,649	3,612
Cement		(Feb. 7)	234	†329	107	299
Passenger car production		(Feb. 20)	7,754	8,200	7,368	6,220
Truck production		(Feb. 20)	1,403	1,421	1,207	1,250
Chartered Banks						
Personal savings	($ millions)	(Feb. 11)	6,926	6,944	6,825	6,325
Loans outstanding	($ millions)	(Feb. 11)	5,382	5,390	5,427	5,393
NHA mtge holdings	($ millions)	(Feb. 11)	803	805	796	601
Banks of Canada holdings of						
Securities	($ millions)	(Feb. 18)	2,580	2,554	2,617	2,396
Short-term govt.	($ millions)	(Feb. 18)	182	157	200	1,272
Long-term govt.	($ millions)	(Feb. 18)	2,321	2,320	2,325	1,071
Other securities	($ millions)	(Feb. 18)	23	23	38	16
Bank Clearings:						
Montreal	($ millions)	(Feb. 19)	886	853	1,007	860
Toronto	($ millions)	(Feb. 19)	1,168	1,137	1,278	1,132
Cdn. dollar (U.S. cents av.)		(Feb. 24)	102.577	102.132	103.352	102.106
T.S.E. industrial index		(Feb. 24)	534.25	531.42	527.91	412.60
Yield 114 stocks		(Feb. 23)	3.98%	3.98%	4.05%	5.15%
Bus. fail. 4-wk. moving av.	(no.)	(Feb. 12)	29.0	29.2	22.0	34.7
Steel ingot production	(tons)	(Feb. 14)	108,094	108,133	102,280	N/A
% of capacity		(Feb. 14)	*89.0%	*89.0%	89.9%	N/A

*Based on revised annual capacity of 6,313,000 tons.
†Ten-day end-of-month period.

Facts by the Month

	Latest Month		One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—					
In all Industries (Index)	Nov.	290.9	288.3	288.1	285.8
In factories (Index)	Nov.	284.9	278.3	279.2	281.0
Total nondurable goods (Index)	Nov.	263.6	259.7	260.6	247.9
Food & bev.	Nov.	278.6	283.2	285.4	261.3
Textiles	Nov.	176.1	166.2	169.7	173.5
Clothing	Nov.	156.9	156.5	159.1	150.6
Chemical products	Nov.	305.3	306.7	304.7	304.7
Total durable goods (Index)	Nov.	318.2	307.5	308.2	332.8
Iron & steel products	Nov.	278.7	249.6	250.5	288.1
Primary iron & steel	Nov.	343.9	208.5	205.5	364.4
From mines (Index)	Nov.	297.4	320.6	324.8	287.2
Metals	Nov.	159.2	177.4	194.6	170.0
Nonferrous smelting, refining	Nov.	213.7	218.1	255.9	284.9
Gold	Nov.	105.5	112.0	108.4	108.5
—From farms					
Cattle delivered (000)	Dec.	175	163	160	189
Hogs graded (000)	Dec.	783	602	513	517
Flour	Nov.	167.8	152.4	133.8	151.9
—From sea					
▪East Coast catch ($000)	Dec.	2,961	2,380	3,404	2,526
▪W. Coast catch ($000)	Dec.	1,491	2,342	3,735	358
—From forests					
▪Newsprint (000 tons)	Jan.	466	476	518	475
Pulp (000 tons)	Dec.	778	849	859	661
—In powerhouses					
Electricity (million kwh.)	Dec.	8,841	8,462	8,347	8,225
WHAT WE SELL—					
▪Retail sales ($ millions)	Dec.	1,565	1,295	1,311	1,450
▪Dept. store sales ($ millions)	Dec.	187.6	148.2	124.5	171.5
Wholesale sales ($ millions)	Nov.	662	711	679	615
▪Mfrs. outstdg. orders ($ millions)	Dec.	2,128	2,118	2,129	2,270
▪Pass. car sales (units)	Dec.	29,176	26,726	21,832	23,160
WHAT'S ON HAND—					
▪Mfrs. inventories ($ millions)	Dec.	4,393	4,367	4,368	4,548
▪Dept. store stock sales ratio	Dec.	1.8	2.1	2.5	2.0
SPENDING, SAVING POWER—					
Labor income ($ millions)	Nov.	1,385	1,389	1,405	1,344
Dividend payts. (Index) (annual rate)	Jan	301.0	299.6	300.8	317.2
JOBS—					
Persons with jobs (000)	Jan.	5,538	5,680	5,773	5,450
Jobless seeking work (000)	Jan.	538	440	361	527
Do. (% of labor force)	Jan.	8.9	7.2	5.9	8.8
CONSTRUCTION—					
▪Contract awards ($ millions)	Jan.	178	271	318	190
FOREIGN TRADE—					
▪Exports ($ millions)	Jan.	350	450	409	389
Imports ($ millions)	Dec.	428	457	498	392
MONEY—					
Money supply ($ millions)*	Nov.	12,892	13,198	12,962	11,500
Cheques cashed ($ millions)	Dec.	21,810	19,248	22,441	19,245
Life insurance sales ($ millions)	Dec	381	406	380	386
Notice deposits	Dec.	7,462	7,419	7,627	6,656
Current public loans ($ millions)	Nov.	5,325	5,140	5,102	5,457

*Total deposits, less Govt. of Canada deposits less float, plus notes in circulation outside the banking system.

PRICES—	Latest Month		One Month Previous	Two Months Previous	One Year Previous
Consumer price (Index)	Jan.	126.1	126.2	126.3	123.4
▪Wholesale prices (Index)	Jan.	229.7	229.1	228.5	226.8

STRATEGIC MATERIALS—Production and Supply—

	Latest Month		Month yr. ago	Yr to date	% chge. yr to date
Steel ingots and castings (000 tons)	Dec.	426	351	4,345.3	−13.7
Nickel (000 tons)	Nov.	3.2	14.3	138.0	−20.2
▪Primary copper (000 tons)	Nov.	20.3	34.2	327.8	+0.9
Lumber exports (millions fbm.)	Nov.	384	313	3,314.0	+1.2
Lumber (millions fbm.)	Nov	456	395	6,628.0	−3.6

Index based: production 1935-39=100; consumer price index 1949=100; wholesale price index 1935-39=100.
▪New item this week
Date of issue for your file, The Financial Post, Feb. 28, 1959.

Look For It Here

February 28, 1959

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Now You Can Buy Through-Route Ticket to Russia

MONTREAL (Staff) — You can now buy a through ticket from any point in Canada to Russia.

This is the outcome of an interline agreement signed between **TCA** and **Aeroflot**, the Russian national flag carrier.

Negotiations began in September, 1957, and were concluded recently. **Reason for the time lag: Language difficulties.**

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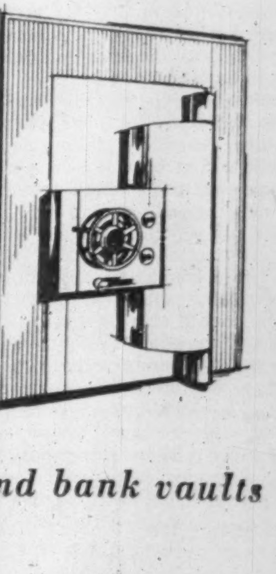

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How Arrow Kill Affects Suppliers

FP cross-Canada survey shows some of Arrow's top 30 sub-contractors are "desperate." Others are "hopeful" . . .

By RODNEY TOUCHE

Production of the Arrow involved some 650 sub-contractors and "several thousand" suppliers.

A survey by **FP** of the leading sub-contractors across Canada discloses:

- **Some companies may close.**
- **Others are hopeful** of using their engineering teams and equipment for other work.
- **Almost all companies are laying off** some skilled men, if not now, later.

The situation of different companies varies from "desperate" to "hopeful."

While some blame the suddenness of the cancellation for disruption, others acknowledge that the Arrow program gave them experience and know-how to succeed in other markets. A few report they could see the cancellation coming.

Here are company-by-company details:

Canadian Steel Improvement Ltd., Etobicoke, Ont., wholly-owned subsidiary of **A. V. Roe Canada Ltd.**, has laid off 230 men, taken from all parts of the company. Total employment is about 500. The company makes forgings with equipment that can be switched to general commercial work.

"We'll build up again in time," it reports, "but the suddenness of the cancellation has had a drastic effect."

Honeywell Controls Ltd., Leaside, Ont., will lay off 80% of its 62 engineers in the aeronautical division as a result of the Arrow cancellation. The remainder will be transferred to work on other Avro contracts beyond the CF-105.

Keicher Engineering Ltd., Kitchener, Ont., has laid off 90% of its 100-man labor force. The company was making heavy structural parts — spars, ribs — with specialized equipment bought from the U. S. It has been working almost exclusively for A. V. Roe since 1952.

"We are desperately trying to find work," the company told **FP**. "Our specialized equipment won't be much use except for work for U. S. companies."

Parmatic Engineering Co., Owen Sound, Ont., a four-year-old company making air and liquid filters, pressure switches and other devices, reports that no decision has been made on laying off employees. Employment is about 40.

"The Arrow program enabled us to reach a leading position in our field and to extend operations to the U. K. We are now accelerating plans to diversify," the company told **FP**.

Waterloo Manufacturing Co., Waterloo, Ont., reports four employees laid off, another 10 absorbed temporarily in other departments. All are skilled machinists.

York Gears Ltd., Toronto, Ont., wholly-owned subsidiary of **Russell Industries Ltd.**, has laid off 30% of its 240-man work force. The company's plant was built to take care of the Orenda Engine program.

Its only customer is the aviation industry, now represented mainly by **Canadair Ltd.**

"We are making overtures to the U. S. aircraft industry, but we have nothing tangible yet," the company said.

Campbellford Precision Products Ltd., Campbellford, Ont., has laid off seven men out of its work force of 31.

"The lay-offs would not have been necessary if there had been warning of the cancellation."

H. H. Whitehall, Ltd., Hespeler, Ont., reports that no one has been laid off although the cancellation has affected a substantial part of the company's operations.

Diversification away from Arrow work has been going on for some time. "We could foresee this situation developing," the company's president told **FP**.

Jarry Hydraulics, Montreal, reports that it will have to lay off 45 out of 375 employees. They range from skilled to semi-skilled. Company is still active on Canadair and **de Havilland** work.

Experience on the Arrow project, says Jarry, has enabled the company to break through into the fields of servo mechanisms, power controls and high-speed undercarriages to put it on a level with the best in Britain and the U. S.

Sorel Industries, Sorel, Que., was producing components, but the work was not very advanced at the cut-off date. Because of this only 15 out of 300 workers are being laid off. Company describes them as skilled workers and hopes to be able to employ them on other work at a later date.

Dominion Rubber Co., Montreal, reports it will have to lay off some 15 skilled workers out of a total of more than 800.

Light Alloys Ltd., Haley, Ont., wholly-owned subsidiary of **Dominion Magnesium Ltd.**, has been producing magnesium alloy castings in a foundry designed and built for aircraft work.

"It is very problematical if we can maintain these facilities in Canada without Avro and Orenda contracts," the company states. A small number of employees have been laid off.

Bata Engineering Co., Batawa, Ont., has laid off 17 highly skilled employees, 14 others are being transferred to civilian work for two or three months. Total employment at the company is about 140.

Williams Machines Ltd., Preston, Ont., reports 70% of its labor force is affected by the Avro decision, three-quarters of them highly skilled. Some 35 employees are being laid off.

Bristol Aircraft (Western) Ltd., Winnipeg, expects to lay off 25 people from a total work force of 1,175.

W. R. Elliot Ltd., Kitchener, Ont., reports that at present an attempt is being made to retain the full labor force, all highly skilled employees.

Fleet Manufacturing Ltd., Fort Erie, Ont., states only a few employees are directly affected. They are being absorbed elsewhere in plant operations.

Garret Mfg. Corp. of Canada, Rexdale, Ont., has been involved in Arrow sub-contract work since the company was set up in 1954.

About 100 people are employed, of whom some 30 are likely to be laid off. They include both skilled and semi-skilled workers. Some 75% of the company's operations have been concerned with the Arrow.

Lucas Rotax Ltd., Toronto, has been seriously affected. Out of a total of 800 personnel, some 500 have been laid off.

Corman Engineering Co., Toronto, expects it will be laying off 20 of its 75 employees. Arrow work has accounted for 60% of operations, but the company is now re-tooling for other lines made by its parent company.

Lido Industrial Products, Toronto, has closed its engineering shop and laid off 70 men. All that remains for the highly-specialized, nine-year-old company is its small plastics business employing about 20.

"We have made a direct investment of about $100,000 in specialized machine tools for Arrow work. One of these tools, a profile mill, has no other use. It cost $60,000," the company told **FP**. If the tools do not find a buyer in the U. S., they will be scrapped.

Dowty Equipment of Canada Ltd., Ajax, Ont., employing some 300 men in the production of hydraulic controls and equipment, laid off 21 machinists last week when the sub-contracts were cancelled.

"Complete effect on the company's operations will not be known until later," it was stated.

Bayly Engineering Ltd., Ajax, Ont., suffered a substantial cut-back some months ago when the Astra fire control system was scrapped. The company's sub-contract work for Avro has been steadily declining since then.

Effect of the latest cancellation will be the laying off of several machinists. Others will be absorbed in the company's other operations.

Enamel and Heating Products Ltd., Sackville, N.B., states it is absorbing in other work the only five employees affected.

Here's Exactly What Happened

"Take notice that your contracts bearing the reference numbers set out below including all amendments thereto are hereby terminated as regards all supplies and services which have not been completed and shipped or performed thereunder prior to the receipt by you of this notice . . ."

With this official notification from the Department of Defence Production, received shortly after midday Friday, Feb. 20, A. V. Roe Canada Ltd. suspended all operations of its subsidiary companies, Avro Aircraft Ltd. and Orenda Engines Ltd.

Development and production of the company's CF-105 supersonic jet interceptor the Arrow, was ended.

At 11.30 a.m., Prime Minister Diefenbaker had told the House of Commons:

"In recent months it has come to be realized that the bomber threat against which the CF-105 was intended to provide defence has diminished and alternative means of meeting the threat have been developed much earlier than was expected."

On the basis of information and advice received "there is no other feasible or justifiable course open."

Four hours after the announcement, the 13,800 work force of Avro Aircraft and Orenda Engines was laid off.

The company stated that a number of workers eligible through seniority for re-employment would be recalled "as soon as possible" to resume work on contracts still in existence. Avro Aircraft might take back 2,000; Orenda, about 500.

Termination of the Arrow program was accompanied by dismissal of other skilled workers in supply firms across Canada.

The decision virtually brings to a halt all the aviation production of A. V. Roe Canada Ltd., which in 12 years has grown from one aircraft company of 300 employees and assets of $1.1 million, to an industrial complex of 40 companies, 42,000 employees and assets of more than $310 million.

The company was founded and is controlled by the Hawker Siddeley Group in the U. K., which holds 57% of the 8,111,941 common shares outstanding (at July 31, 1958). The remaining shares are held by the public. Approximately 96% of the 16,088 shareholders are Canadian residents.

Aviation production for the Canadian government accounted for one third of A. V. Roe Canada's total employment and approximately (in 1958) 40% of the company's earnings.

Aviation work now remaining is confined to a few special projects, including a recent $6-million order for Orenda engines for West German Sabres, maintenance work for RCAF squadrons and a development program for the U. S. Air Force and the U. S. Army.

The government's decision to halt further work on the Arrow follows an announcement Sept. 23 by Prime Minister Diefenbaker in which he stated that development work would continue until March 31, when the situation would be "reviewed again in the light of all existing circumstances."

The program then involved building 37 aircraft and an appropriate number of Iroquois jet engines. The schedule called for six aircraft to be test flown by March, at which time four more would be on the production line or in flight test.

The company has produced 60% of the components and parts required for the 37 aircraft. Five aircraft have been completed and production lines were geared to produce two more each month.

In a message to shareholders interpreting the Sept. 23 announcement from Ottawa, Crawford Gordon, A. V. Roe Canada's president, said on Sept. 29 that both manned aircraft and missiles were needed for the defence of North America and in the manned field, "we know the Arrow will be superior to any other aircraft for the special role of defending Canada's vast territory, and when the review takes place next March, we are convinced it will be ordered into production."

He described the announcement cancelling the program as coming "as a complete surprise to the company."

"We received no advance notice whatever of the Friday announcement itself nor did any government department seek prior consultation with the company to arrange for an orderly and gradual cease-work procedure," he states.

After the Sept. 23 announcement "which cast doubt on the future of the program," the company proposed to government departments alternate programs for using the technical resources of Malton.

"However, the government has not seen fit to discuss these matters or consult with us in any way," Mr. Gordon said prior to mid-week meetings with Mr. Diefenbaker.

The proposals listed by Mr. Gordon include:

- **Replacement of the RCAF's Orenda Sabres** attached to NATO with a Canadian-produced aircraft and engine;
- **Design and development of a jet transport** for TCA, other Canadian airlines and the RCAF and which might be exported. ("We have been led to believe a replacement for the Viscount is required");
- **Production of a revolutionary type** Vertical Take-Off family of aircraft, now under development at Malton and financed jointly by the company and a foreign government;
- **Enlargement of the design engineering work** now being done by Orenda Engines in conjunction with Atomic Energy of Canada in the development of commercial nuclear power;
- **Initiation of a Commonwealth program** for the exploration of space. ("Our companies have proposals which they feel could put an object into orbit with a relatively small expenditure");

Development and production of the Arrow to date is estimated to have cost $350 million. Government estimates have provided for $397 million up to March 31.

Penalty payments by the government as a result of cancelling Arrow contracts are expected to amount to between $50 million and $100 million.

Total bill: $400 million to $450 million.

U. S. Gets Plum Canada Crumb

Here's the history of U. S.-Canada defence production . . .

MONTREAL (Staff) — The Montreal plant of Canadair has a $1.7-million order for parts for the Bomarc guided missile.

But the real winner seems to be Boeing, the big U. S. aircraft - missile manufacturer which gave Canadair the sub-contract.

Here's the way observers here figure it out:

- **Since Canada** is going to use the U. S. Bomarc in its integrated defence system, the U. S. State Department wanted to give Canada at least a token production-sharing order.
- **Canadair and its U. S.** parent General Dynamics are fighting Boeing for the $400 - million radar picket plane order for the USAF (**FP**, Nov. 22, 1958).

(A picket plane is a long-range aircraft carrying radar equipment for constant patrol duty.)

- **Boeing can now say to Washington:** We're sharing our Bomarc order with Canadair; why should they get some of the picket plane order?

Canadair estimates the contract — to manufacture wings and ailerons for 78 of the missiles — will keep 150 men working for six months.

Offered the contract four months ago, Canadair told Ottawa it wasn't too keen on it because it didn't want to hurt its chances at the bigger order. At Ottawa's insistence, it took the missile order.

Top Canadian airmen assembled in Montreal this week to mark the 50th anniversary of flight were bitter about the history of U. S.-Canadian defence production sharing.

During the past 10 years U. S. purchases of Canadian aircraft have been restricted to small Beaver, Otter and Caribou bush planes, some light trainers and a number of Sabres rushed into U. S. service during the Korean war emergency.

The airmen point to these incidents in recent years:

- **The U. S. agreed** to buy a substantial number of T33 jet trainers from Canadair, later cancelled the order.
- **A concentrated attempt** to sell the Avro Arrow failed in Washington. At the same time the U. S. gave North American Aviation the go-ahead to produce the F-108, an Arrow-like interceptor that has yet to make its first flight.
- **When the U. S. Navy** was looking for a new anti-submarine patrol bomber, Canadair entered the CL-28 Argus. It is a proven and successful aircraft already in full production and service with RCAF.

U. S. Navy testers gave it full marks, but Washington instead gave Lockheed the nod to begin developing a version of its Electra airliner.

- Most recently, in the case of the anti-bomber radar picket plane, the Canadair entry seemed well to the fore last month as time for the final decision drew near. But a last-minute entry from Boeing — for use against missiles as well as bombers — caused a delay in the decision for at least two months.

Feeling in Canadian aircraft production circles this week is that the only real hope for future production — except small scale sub-contracting — lies in building a replacement for the RCAF's rapidly aging Sabres now flying in Europe.

RCAF planners favor the U. S. Navy's Grumman Super Tiger, supersonic fighter bomber (**FP**, Feb. 7).

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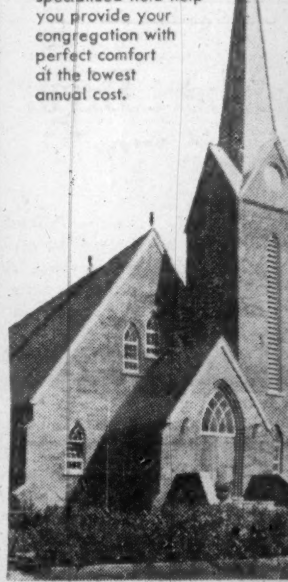

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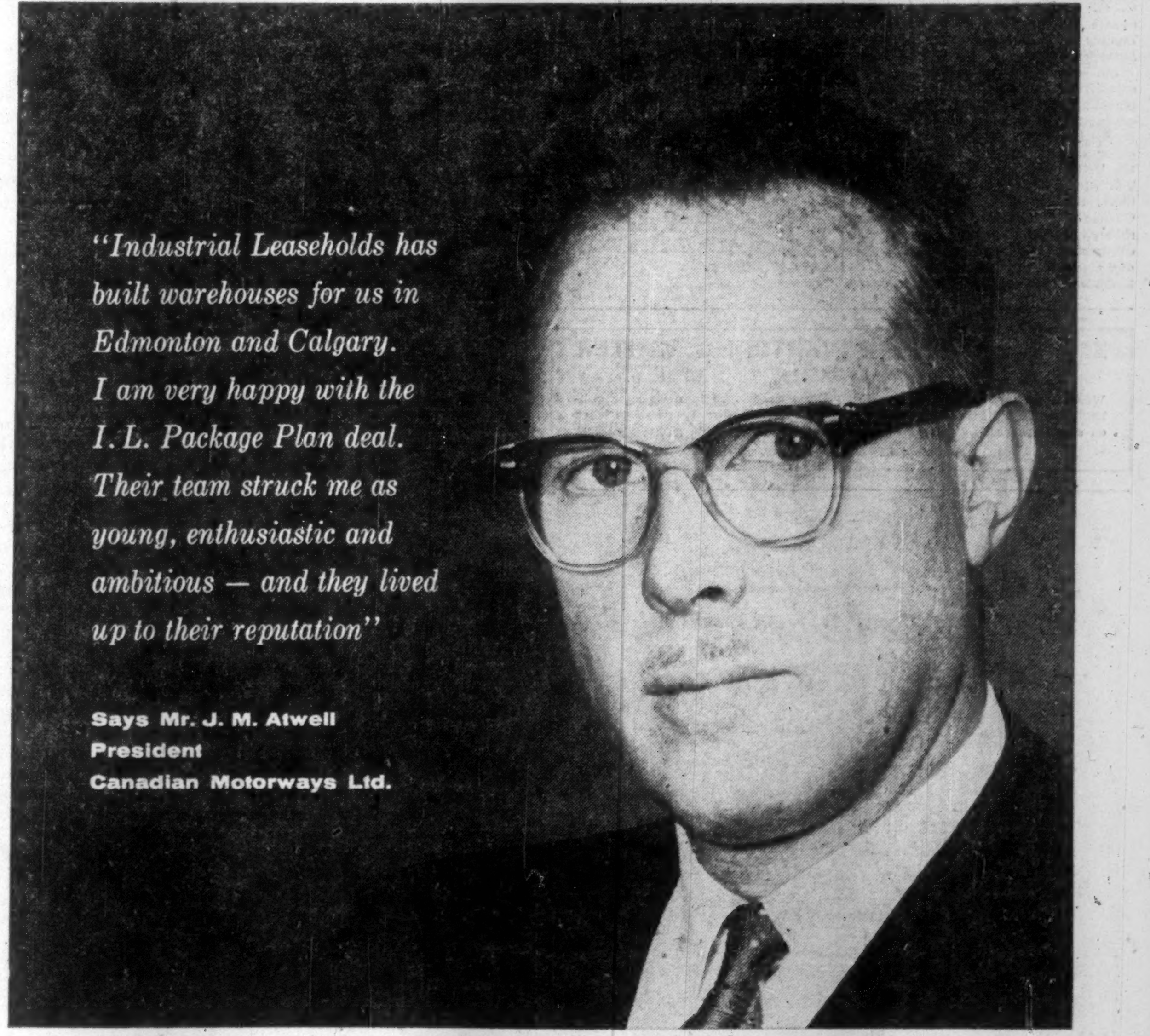

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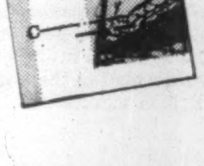

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By RODNEY TOUCHE

Stocks that are highlights in the market are those where news of operations has become known. At this time when price levels are high, investors are seizing on tangible evidence.

Agnew-Surpass Shoe Stores has increased its earnings each year for four years (85c per share in 1955, $1 in 1956, $1.22 in 1957, $1.36 in 1958). Recent reports indicate further gains for the fiscal year ending May 31, 1959.

Canada Crushed & Cut Stone has just reported earnings per share of $1.97 compared with $2.07 in 1957. This marks the fifth year in which earnings have been close to $2 per share.

British Columbia Forest Products has been featured by a U. S. advisory service. Volume last week (with much of the buying reported from the U. S.) jumped to 81,371 shares traded, compared with 19,712 for the whole of January.

Interest in **Dominion Electrohome** has been sparked by a proposal to increase the share capital. A stock offering of one new share at $25 for each 10 held is to be followed by a 3-for-1 stock split. Earnings for 1958 were $5.10 vs. $3.07 in 1957.

Massey-Ferguson trading volume jumped from 131,769 in December to 463,097 in January. Last week it was 150,352. Company has announced a first quarter increase of 75% in North American sales (compared with a year ago). Worldwide sales of the company were up 8%.

Here is how the stocks of these five companies have moved:

	Recent	January High	January Low	1958 High	1958 Low
	$	$	$	$	$
Agnew-Surpass	19½	15	12½	13⅛	8⅛
B. C. Forest	18	14	12½	15	8⅝
Can. Cr. Stone	15¼	14	12½	12½	6
Dom. Electrohome	37	34⅝	25	26½	11
Massey-Ferguson	14⅛	13⅜	10½	11	5⅞

* * *

Trading volume of **A. V. Roe** exceeded 100,000 shares in three sessions following news of the Arrow cancellation. This is more than the volume for all of January (but a small proportion of the approximate 3.5 million shares in the hands of the public). Market commentators are surprised at the persistent buying support the stock received. It fell about 65c the first day to $11¾ on a volume of 44,494 shares traded. In the next two days it dropped to $10⅝.

In the U. K., parent company Hawker-Siddeley (holding the balance of about 4.6 million shares) weakened only fractionally from 32s 3d. to 31s 10½d.

On the unlisted market, **Teleflex Ltd.** has soared to $13, equivalent to $65 on the old stock, split recently 5-for-1. At the end of January bid price for the stock was $43. At the end of September is was $17.

Behind the move is the establishment of another subsidiary in the U. S., **Flexatrol Inc.**, to manufacture a new flexible tubing for use as a control linkage. Linkages of this type are used for autos and outboard motors. It is rumored that **General Motors**, already a customer of the company's products, is considering the linkage for a rear-engined car.

Investment Clubbers May Lose Association

Unless cash aid comes along to keep 'learning-by-doing' investment mentor alive . . .

Organized direction of Canada's investment club movement is in danger of ending unless it receives financial support.

The three-year-old Canadian Association of Investment Clubs, which achieved a peak membership of close to 400 clubs at the end of 1957, now numbers only 225 clubs and has a deficit of $3,282. The drop has occurred at a time when the growth of the investment clubs has continued.

Delegates to the association's annual convention in Toronto last week-end were told that the situation was "desperate."

Help is again being sought from the investment industry—Toronto and Montreal Stock Exchanges and the Investment Dealers' Association of Canada.

"We blame ourselves. We have not properly sold our association's motives to the investment industry," F. Alex Roberts, CAIC's former executive secretary, told the delegates.

"We have good reason to believe that when our plight and motives have been sold, the situation will be rectified," he said.

The association has helped about 500 clubs get started (FP, June 7, 1958).

It provides information on setting up a club constitution, methods of stock selection, portfolio operation and many other details needed by budding investment clubs.

An estimated $75,000-$100,000 a month is being invested in stocks by these clubs alone. Probably $500,000 or more is going into the purchase of Canadian stocks in this way each month, if non-member clubs are included.

Basically, investment clubs are a "learning-by-doing" method of education about investment in stocks. Most clubs stick to carefully selected, good grade issues in their portfolios.

When the association was formed in February, 1956, "for the advancement of investment knowledge," it received financial support from 18 brokerage houses.

Further support was given by nine houses in 1957.

Last year, there was no outside support.

For 1959, the association's revenue is estimated at $3,500 from membership fees and $500 profit from the sale of manuals, literature and stationery.

Expenditure, operating on a "middle-of-the-road" basis, is estimated at $10,900.

The financial aid being sought amounts to approximately $6,900 plus $1,500 to meet accounts payable. Total: $8,400.

Delegates to the convention (about 90 were present) were told that administration of the CAIC changed hands in April, 1958, when founder James A. Roberts resigned to take up an appointment in Ottawa.

Between January and April administration had been at a standstill to avoid incurring further expense before the possibility of obtaining financial aid had been explored.

In April, 1958, the request for aid had been turned down by Toronto and Montreal Stock Exchanges.

Meanwhile, a number of clubs had not been invoiced for membership dues. Many of them have ignored subsequent requests for renewal.

The CAIC is now being administered by a volunteer board of directors and part-time office staff.

Its plight coincides with a move by the National Association of Investment Clubs to form a world-wide federation of investment clubs.

NAIC founder, George Nicholson of Detroit, attending the Canadian convention, said that it was his aim to start an international association, which would have its first meeting in Canada in November, 1960.

Copies of the U. S. association's monthly bulletin are now to be sent to Canadian investment clubs belonging to the CAIC and a page in the bulletin will be devoted to the Canadian and British associations.

Lambert Divd. Up for '59

MONTREAL (Staff)—**Alfred Lambert Inc.** has increased annual dividend rate on class A participating and class B common shares from 60c to 70c per share.

Four quarterly dividends of 17.5c each were declared this week payable March 31, June 30, Sept. 30 and Dec. 31. Record dates: March 16, June 16, Sept. 16 and Dec. 16.

Company manufactures, wholesales and retails leather and rubber footwear. It is understood sales and net income in 1958 were substantially higher than in the preceding year.

For 1957 Alfred Lambert Inc. and subsidiaries earned $203,947, equal to $2.16 on the then outstanding A and B stock, after participation.

Including 58,000 A shares issued in 1958, company has outstanding 25,000 5% convertible $20 par preferred shares, 99,500 class A shares and 41,500 class B shares.

Baloise Becomes Elite Insurance

Name of **Baloise Fire Insurance Co. of Canada** is to be changed to **Elite Insurance Co.**

Senate has given second reading to the necessary private bill.

Incorporated in Canada in 1954, Baloise was purchased by **Imperial Investment Corp.** from its Swiss owners Dec. 31, 1957.

Although licensed to do a general insurance business, company has operated chiefly in the field of fire, theft and collision insurance on cars.

New name is taken from Imperial Investment's "Elite Plan" of financing consumer durable goods.

Business is carried on through Imperial's 28 branch offices from coast to coast.

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Dividend Changes

TORONTO GENERAL TRUSTS CORP.—Common, 40c payable April 1 to holders of record March 6; ex-dividend March 4. Total payable or paid to date in 1959, 77½c plus 10c extra; total paid to same date in 1958, 75c; total paid in 1958, $1.50. Recent price: $46.

HAHN BRASS—5% 1st preference, 22½c, payable April 1, 1959, to shareholders of record March 12; ex-dividend March 10. Initial dividend.

HAHN BRASS—5% 2nd preference, 12½c, payable April 1, to holders of record March 12; ex-dividend March 10. Initial dividend.

CANADIAN GENERAL SECURITIES—Class A and Class B, 25c plus extra of 1 1/5 preferred shares for each class A or class B shares held; payable March 16 to holders of record March 2; ex-dividend Feb. 26. One-sixth of stock dividend to be redeemed April 16, 1959. In 1958 stock extra was ¼ of 1 preferred share for each class A or class B share held, wholly redeemed April 16, 1958. Recent price: Class A—$18⅞; Class B—$18.

Note

By VINCENT EGAN

The $40-million 5½% 30-year first-mortgage bonds of **British Columbia Electric** (**FP**, Feb. 21) are being offered at 98 to yield 5.64% . . . A $15-million issue of **Montreal - Laurentian Autoroute Board** 5% 16-year s.f. bonds has been sold at 98¼ to yield 5.16% . . . **Greenshields** and **Wood, Gundy** have sold $5-million 5¾% 20-year non-callable secured notes of **Industrial Acceptance Corp.** at par . . . Rumor is that the anticipated **Massey-Ferguson** bond issue (**FP**, Feb. 21) will have no conversion feature or other "sweetener." Another rumor has it that M-F will report first-quarter earnings of 50c a share.

* * *

Last week's $200-million **Canada** loan was trading at about issue price at mid-week. Of the total, $85 million was allotted to the 2¾% bonds due April 1, 1960, and $115 million to the 3% bonds due Dec. 15, 1960.

One result of the new government financing was to send last week's issue of treasury bills to a 3.78% yield, compared with 3.57% on the issue which preceded the financing.

* * *

Metropolitan Toronto and investment dealers were discussing a $26-million borrowing at mid-week . . . **Port Arthur** has issued $2.1 million 5½% one-to-20-year serials, with the 11-to-20s offered to yield 5.70% . . . Ottawa's Separate School Board has issued $1.6-million 20-year serials. Those payable in Canada have a 5¾% coupon, priced at par. Interest rate is 5¼% on U. S.-pay debentures, and price 98.03.

* * *

Rights issues: One new par $5 **Royal Trust** share may be bought at $30 for each five held March 31. Recent price: $40 . . . For every 10 **Dominion Electrohome** npv shares held April 1, one new share may be bought at $25. Recent price: $37¼. Stock is to be split three-for-one later . . . **Dominion Dairies** issued 123,434 shares at $5 under its one-for-three offering, bringing total to 501,659 shares outstanding. This represented a 97.9% take-up, added $617,170 to working capital.

New Brunswick may underwrite $300,000 **Atlantic Dairy Products** debentures, to help finance construction of a $900,000 powdered milk plant at Sussex. In the past, the province has guaranteed obligations of several food processing and storage firms.

* * *

Canadian stocks may have lost some of their appeal to small U. S. investors.

A group of eight U. S.-owned Canadian mutual funds reported a net gain of only 1,468 shareholders in 1958, or 1½% over the 1957 year-end total.

Funds' assets rose 36%—from $288.7 million to $393.7 million.

Gatineau Profit Rises 6% in '58

MONTREAL (Staff)—Consolidated net profit of **Gatineau Power Co.** in 1958 was $5,040,194 ($2.55 per common share) or 5.6% higher than $4,771,463 ($2.39) in 1957, according to a preliminary report from the company.

Annual report will appear early in April.

Company says water conditions on rivers serving its power plants were well above average through 1958.

Resulting sale of excess power and increasing use of electricity by old and new customers contributed to better earnings.

Here are comparative details:

	1958	1957
	$000	$000
Operating rev.	18,896	17,671
Other inc.	300	274
Less: Power purch.	1,114	867
Oper., maint. & gen.	3,868	3,466
Taxes	5,378	5,118
Interest	1,693	1,734
Exchange (profit)	(41)	(56)
Deprec.	2,000	1,900
Amort. of disc. & exp.	144	144
Net profit	5,040	4,771

114 Stocks Yield Averages 3.98%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.**, on the prices of Feb. 23, was 3.98%, unchanged from the previous week. The current yield compares with 4.05% one month ago and 5.15% in the corresponding week last year.

Here is the yield by the various groups:

	Feb. 23 %	Week Ago %	Month Ago %	Year Ago %
Common	3.62	3.62	3.66	4.80
Pfd. & A	4.70	4.70	4.75	5.12
Mining	4.56	4.57	4.72	6.39
Banks	3.10	3.07	3.16	3.59

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ANNOUNCEMENT

APPOINTMENTS ANNOUNCED BY BP CANADA LIMITED

A. M. WOOD

J. A. RIDDELL-WEBSTER

R. E. PERRY

T. GRAEME McLINTOCK, Executive Vice-President of BP Canada Limited, announces the following appointments: A. M. WOOD, formerly Manager of Supplies and Marketing, as Vice-President of Supply and Operations; J. A. RIDDELL-WEBSTER, formerly Quebec Division Manager as Vice-President of Marketing; and R. E. PERRY, formerly Assistant Manager Quebec Division, as Quebec Division Manager.

In 1946 Mr Wood began his career in the petroleum industry with The British Petroleum Company, in the United Kingdom. In 1947 he was transferred to BP Belgium, where he remained until 1955. In 1956 he came to Canada.

Mr. Riddell-Webster M.C., was with The British Petroleum Company in Persia and Iraq, from 1947 to 1952. From 1952 to 1956 he served in various capacities with the company and was appointed Quebec Division Manager of BP Canada Ltd. in 1956.

Appointed Assistant Manager of the Quebec Division of BP Canada Ltd. Mr. Perry was formerly associated with two other major oil companies.

Executive headquarters of BP Canada Limited is at 550 Sherbrooke Street West, Montreal.

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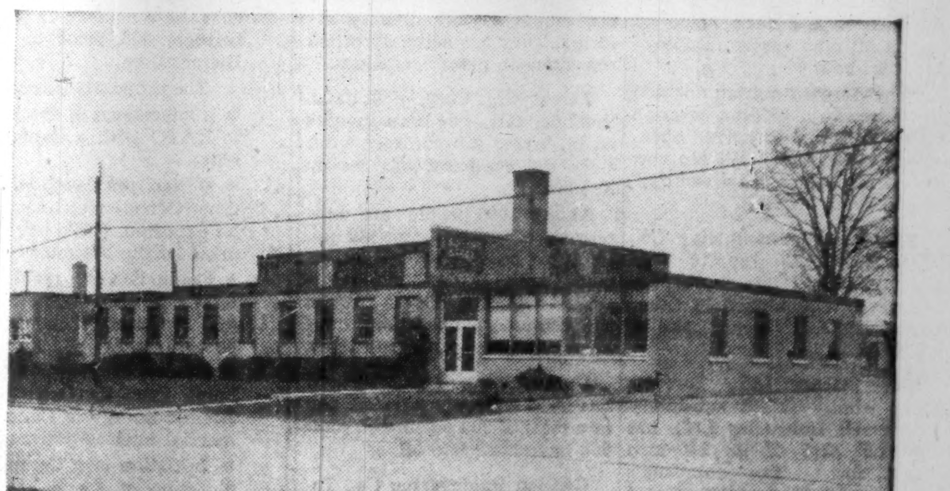

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59-10

INVESTMENTS:

Let's Have Sensible Laws For Our Oil, Gas Future

By *PAUL S. DEACON*

IN JUST OVER a decade, oil and gas has become a major industry in Canada. The industry gives every promise of getting bigger still.

Since the Leduc discovery in 1947, Canadian crude oil production has increased to a level equal to two thirds of domestic consumption, from 8%. In that period consumption has tripled. Actual production is only about half the capability of present wells.

Natural gas sales in Canada were 40 billion cu. ft. in 1947, 169 billion in 1957. Western Canadian reserves are about 24,000 billion cu. ft. now and an ultimate recovery of 300,000 billion cu. ft. was forecast in evidence before the Borden Commission on Energy.

Right now, the whole industry is poised for further growth.

Its attention, however, is centred on Ottawa, where legislation is expected any day dealing with the rules under which the industry will operate in future.

Before they can plan ahead, oil and gas officials want to know in what way and to what extent the recent first report of the Borden commission will be translated into legislative action.

Here are some considerations which should have a bearing on the debate which will be taking place shortly in the House of Commons.

1. Canada's position vis-a-vis the U.S.

The U.S. is the primary export market for our oil and the only probable foreign user of our natural gas. U.S. capital and experience play an important role in development of our oil and gas resources.

Canada's problem is to make sure that while we act as a good neighbor, we secure terms in our dealings with the U.S. which are consistent with the Canadian public interest.

What would be this Canadian public interest?

The U.S. should pay a reasonable and fair price for oil and gas sold there.

Contracts entered into for the export of gas should not prejudice the present or future position of Canadian consumers.

While foreign capital should receive fair treatment, excessive profits or an excessive degree of control should be avoided.

2. Adequate capital for the development and transmission of oil and gas.

A national policy for energy is no good unless it fosters a climate favorable to the raising of capital to prove up reserves and get oil and gas to market.

To be realistic, however, some sort of regulation for pipelines seems inevitable, whether business likes it or not. The Government in one way or another has to help projects get going, even if it is merely a matter of granting a license, and it is the pattern of mid-20th century that it have some say in how they operate.

Policy must be positive and encouraging to development. It must not be a negative policy in the sense of regulation against, of suppression and discouragement.

3. Interests of producers, carriers and consumers must be reconciled.

Because of the differing points of view of these three groups, any government policy must be a compromise likely to produce the greatest national good. No group is likely to consider the resulting policy completely to its liking.

From the point of view of investors, the crux of the problem in pipeline rates is that the profit be adequate.

The Borden report suggested that the rates be set at a level which would produce a fair return on the shareholders' equity.

It admitted that this return would vary according to the type of operation, and suggested the individual level be left to the discretion of the Board of Transport Commissioners.

However, this arrangement, in the opinion of most people in finance, presupposes a degree of public economic sophistication that just doesn't exist. In certain circumstances, a high percentage return on equity would be well justified.

If it happened to be 20%, when many other type companies got only half that, how would that 20% look on the back concessions?

This is the sort of problem which the Government should recognize fully in establishing any regulatory system. When it moves into rate-making, it moves into a hornet's nest — a political problem of great magnitude.

4. Another section of the Borden report that has bothered many has been the so-called "repudiation" of an undertaking by former Trade Minister C. D. Howe to allow export of gas by **Trans-Canada Pipe Lines** at Emerson, Man.

This is particularly reprehensible, it has been charged, because the Howe letter is claimed to have influenced those putting up money to finance the pipeline. Some U.S. interests have declared that this puts Canada into the category of a banana republic — a welsher.

This uproar was occasioned by the Report's statement that the Howe commitment for an export permit must no longer be regarded as having any validity.

There are several reasons why the present rumpus on this point is pretty foolish.

1. **The Howe letter** was an astute bargaining device in a rough fight.

Westcoast Transmission had got a Canadian export permit, then went to Washington to get its permission to sell gas in the U.S. It was forced into selling its export gas pretty cheaply because it had worked its way into an export commitment.

Howe vowed he would try to prevent other Canadian companies from falling into the same trap of handicapping themselves at the FPC bargaining table.

When the Trans-Canada case came up, Howe provided the company with his famous letter which it needed to carry its case to the FPC but which did not deliver Trans-Canada, with one hand bound, to the un-tender mercies of that body.

2. **In its implications** the Howe letter suggested that he would do more than he had power to do.

Trans-Canada did not then have the necessary export permit from the Province of Alberta, and Alberta had to agree before Howe could have done anything.

3. **When the Howe letter** was written (Sept. 28, 1955) Trans-Canada had one contract for sales in Canada.

At that time, it was widely held that gas sales into the U.S. were essential for the financing of the line. But soon, as the months of delay went by, its Canadian sales contracts began to mount and the importance of gas sales to the U.S. constantly declined.

Trans-Canada officials testified at the Borden commission hearings that the first-mortgage bond purchasers had to be shown that the line was feasible without the Emerson exports, before they would buy the bonds.

By the time the Borden report was written, although the Commission recommended export of gas from Canada in principle, Trans-Canada was scrambling for gas and was talking about looping its line to meet soaring Canadian demand.

So the whole business of the Howe letter became, with changing circumstances, totally irrelevant to everybody concerned.

As for the proposed regulatory arrangements that may be set up, it seems odd that the Borden commission should not suggest putting the whole package under the Energy Board rather than giving the rate-setting job to the Board of Transport Commissioners.

The Energy Board should have a much better technical background for this than the Transport Board, and wise judgments will only come from very well-informed people.

Whatever board is involved — Energy or Transport — it must be recognized that either body will be highly susceptible to government influence. **That's why it is important right from the beginning to set rules that will keep political issues to a minimum.**

This oil and gas industry is big business, dealing in a great national asset. Its future is going to depend on the wisdom our legislators and the Energy Board employ in setting up the operating rules and regulations — or lack of them.

Massey-F Sales Rise Sharply

Two top officers of **Massey-Ferguson Ltd.**, Toronto, have become directors of **F. Perkins Ltd.** of Peterborough, Eng.

Col. W. E. Phillips, chairman and chief executive officer, and President Albert A. Thornbrough have joined the board of the British diesel engine maker.

Massey-Ferguson acquired 89% control of Perkins under a share purchase offer originally open until Feb. 12 (**FP**, Feb. 14).

Its U. K. agents have announced that they will continue to receive late acceptances.

"This year we are buying some 160,000 engines built by other suppliers. It is our plan and expectation as time will permit to transfer nearly all of this requirement to the Perkins company," Mr. Thornbrough told Perkins employees.

Domestic sales by Massey-Ferguson in North America for the three months ended Jan. 31, 1959, totaled $75 million. This was more than 75% greater than comparable 1957-58 sales.

President Thornbrough noted that sales in the first quarter of 1957-58 fiscal year had started slowly, but that the sales gains in Canada and the U. S. were nevertheless substantial.

Certain markets and export territories in the eastern hemisphere showed a decline in November-January from sales of a year earlier.

North American sales accounted for 38.8% of company's total volume in 1957-58.

Global sales in first quarter of last fiscal year totaled $76.7 million, or 17.4% of the year's total.

Foreign Exchange Rates

Noon Value in Canada
Week Ended Feb. 24, 1959

	U.S. $	U.K. £
Wed. ...	97 16/32	2.73 14/16
Thurs. ...	97 20/32	2.74 3/16
Fri.	97 15/32	2.73 15/16
Mon.	97 14/32	2.73 12/16
Tues. ...	97 13/32	2.73 11/16
Ave.	97 78/160	2.73 71/80

U.S. rate reported by Bank of Canada.

U.K. bid rate reported by Toronto-Dominion Bank.

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New Chemical Plants Sited On Lake Erie

Electric Reduction Co. of Canada is starting on its latest big expansion phase in Eastern Canada.

In a multi-million-dollar program, company will construct plants for production of sulphuric acid and phosphoric acid as well as sodium phosphates and other products.

Plants will be located at Port Maitland, Ont., where the Grand River enters Lake Erie.

This site is served by rail, road and deep water transportation facilities.

Phosphates are an important raw material for the detergent industry, as well as for metal finishing and food processing.

Concentration of these industries in central Ontario makes Port Maitland a logical plant site.

Phosphoric acid is the starting point for high analysis fertilizers.

Southwestern Ontario is the major and growing market for such fertilizers, which formerly have consumed large quantities of imported raw materials, particularly triple super phosphates.

Large quantities of sulphuric acid will be used captively in manufacture of the phosphoric acid from phosphate rock imported chiefly from Florida.

Engineering of this project has been completed and construction is scheduled to start almost immediately. First production from new plant facilities is expected early in 1960.

Electric Reduction Co. has recently completed sodium chlorate expansions at Buckingham, Que., and Vancouver.

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ANNOUNCEMENT

EDWARD GARSIDE — J. S. SPEARING

At a recent meeting of the Board of Directors of the N. Slater Co. Ltd., Hamilton, Ontario, the following appointments were announced, Edward Garside Vice-President and Secretary; J. S. Spearing Treasurer.

RENABIE PRODUCTION

Renabie Mines turned out gold bullion worth $96,784 from its Missanabie area mine last December. A total of 16,901 tons were treated in the mill for an average recovery of $5.73 per ton. This brings total production for 1958 to $1,065,622 from the milling of 177,475 tons of ore for an average $6 per ton.

ANNOUNCEMENT

NEW APPOINTMENTS INDUSTRIAL WIRE & CABLE LTD.

T. HARRISON SMITH — HAROLD D. PERCY, P.Eng.

Mr. Carl P. Clare, recently appointed president of Industrial Wire and Cable Limited of Toronto, announces the appointment of Mr. T. Harrison Smith as general manager. Mr. Smith, formerly of Montreal, brings to his new post a wide experience in the Canadian electrical industry and is the former head of T. H. Smith Associates of Montreal.

Mr. Harold D. Percy, P.Eng., of Brockville, Ontario, has been appointed as assistant general manager and works manager.

Industrial Wire and Cable Limited, a Canadian firm established in 1937, was recently purchased by Universal Controls Incorporated, of New York, and will be operated as a wholly-owned subsidiary, manufacturing more than 75 lines of wire and cable, including aluminum and copper wire, drawn, woven, metallic sheathed and non-metallic sheathed. Industrial Wire is a major Canadian producer of wire and cable for building, communication and industry.

Industrial Wire's 110,000 square foot plant was constructed last year on a 10 acre tract providing room for future expansion. In addition to the head office and factory in Toronto there are Industrial sales offices and warehouse stock across Canada: Vancouver, Calgary, Edmonton, Winnipeg, Montreal and Stellarton.

In a recent statement of policy Mr. T. H. Smith stated that their aim was to manufacture the finest range of wire and cable possible, to improve service and warehouse stock, and to sell exclusively through leading Canadian distributors.

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The Editorial Page

Bureaucracy Gone Wild

One of the craziest stories we have heard about rampant bureaucracy and hide-bound officialdom comes from Manitoba.

Manitoba has been the scene, this winter, of an exceptionally heavy fall of snow. Even a province well equipped for the annual job of snow-plowing has had difficulty in getting the roads open promptly and keeping them that way.

In rural Manitoba live many farmers possessing tractors with snow-moving attachments, imported as agricultural implements under the special tariff treatment applying.

When the roads choked up this winter, the farmers didn't sit on their hands and wait for the provincial or municipal snow-plow to come by. They took out their tractors and opened up the roads themselves, so they and their neighbors could get their cream and other farm produce to market.

Did they get, as they deserved, a hearty round of applause?

They did not. Instead, they got a raspberry in the form of a demand for payment of up to $300 duty on the machine since it was not being used as a farm implement, therefore didn't qualify under the special tariff treatment for farm equipment.

What's more, the informant who tattled on the enterprising farmers received a reward for services rendered.

Since this matter has quite properly kicked up a storm in Manitoba, Ottawa has notified Manitoba officials of the Department of National Revenue that they should not assess the full tax in these cases, but only one sixtieth of the machine's total tax per month in each month they use the machine for other than farm purposes.

Ottawa' move to soften the tax blow makes sense but it does nothing to encourage efficient use of Western Canada's capital equipment and less than nothing to promote self-reliance in rural Manitoba.

Leacock Should be Here

Out in British Columbia the liquor board has banned a Canadian history by Stephen Leacock because it was sponsored by a whisky company and carries the distiller's name. It's an advertisement, says the board.

Thackeray wrote a piece about Guinness's stout. So did Disraeli. J. M. Barrie extolled Craven tobacco. In the Beggar's Opera there's favorable mention of Courage's ale.

Are these works also taboo in B. C.? If it comes to that, why expose the population to books by or about the late Haig, field marshal? And isn't Sir Thomas Beecham a walking advertisement for pills?

If Leacock were still around, he would write another Nonsense Novel.

Dollars from Horrors

The manufacture of horror films, a rhapsodic press agent reports, is "putting new blood" in the British film industry.

These are the films in which nearly nude humans are shown pierced by arrows, donating their blood to vampires or being carried off by gorillas—some of them advertised with the enticing caption, "you too could look like this."

Horror films are profitable. "The Revenge of Frankenstein" cost only £80,000 to make but earned over a million pounds in Britain, much more abroad. "I Was a Teenage Frankenstein" also made money.

All such films have monsters but there are fashions in monstrosity. Outsize, misshapen humans are out; they are often so pathetically awkward, the trade has found, that they arouse sympathy rather than repulsion.

Large animals are better but fur-bearers should be avoided; they evoke love. Giant ants, spiders and scorpions are best of all but expensive to construct.

The horror fad is not new and not to be blamed on current postwar decadence. There was a similar craze in the 1930s when King Kong flourished and Boris Karloff made flesh creep.

Today horror films are popular around the globe. U. K. makers turn out three grades: mildest for the home audience, tougher for North America, toughest for Japan.

Do horror films cause crime? Probably not. Yet one can think of entertainment more likely both to edify and induce restful dreams.

Decca and Vortac

Everybody who rides the airplanes has a powerful interest in safety. But the row going on at Montreal is not reassuring.

The row concerns gadgets to be installed in aircraft and airport towers to form a plane-to-ground radio network. Their purpose is to enable pilots to make safe landings. The present row is over which of two systems will be adopted as standard for the world. The U. S. is committed to American-made equipment called Vortac. The British are pushing their Decca system, described as "unreliable" by an American spokesman at Montreal.

His statement contradicts all the evidence gathered in Britain. Tests have shown that Decca gives better performance than Vortac. It is also very much cheaper.

Chapman Pincher, a British expert, accuses the Americans of using high-pressure methods to make Vortac universal in the Western world.

The U. S. government has invested $600 million in developing Vortac, he says, and is determined to force its general adoption no matter what the Montreal meeting decides. According to Pincher, the U. S. has paid for the installation of its equipment in several countries. He also says that, with a view to packing the Montreal meeting and the vote. Washington is defraying the expenses of delegations from nations that wouldn't otherwise be represented.

Canada, with both Vortac and Decca in use at its airports, is right in the middle of this argument and should take a hand in having it settled fairly. If it is true, as it seems to be, that the British equipment is both superior and cheaper, it will be outrageous if pressure from Washington forces the free world to accept an inferior article.

The Real Hope for Wheat

"U. S. disposal programs have had an adverse effect on Canadian wheat exports in some countries."

That is the main conclusion of a joint committee of the American National Planning Association and the Canadian Private Planning Association. It will not surprise anyone in this country.

As has been pointed out over and over again no country can give away and dump millions of bushels of wheat abroad, as the United States has been doing, without upsetting world markets. Except where people are actually starving and it is this food or nothing, every bushel of wheat given away or bartered displaces a bushel of wheat or other grain which would have been bought at regular prices on the regular market.

Nor should there be much surprise at the warning of this joint committee that international marketing of wheat will probably get worse before it gets better because surpluses are still piling up and government policies in scores of countries, including both the United States and Canada, continue to encourage production regardless of demand.

"Against the background of recent demand and supply trends and current agricultural policies," says the report, "it is difficult to visualize an easy or early end of the present imbalance . . . or to the Canadian-American conflicts of interest to which the wheat congestion has given rise. Indeed, it is entirely conceivable that the excessive world carryover . . . could become even greater, requiring even more intensive efforts than have yet been made to reduce it to more manageable proportions. Until a larger role can be restored to market forces in regard to the international wheat trade, it is to be expected that the disposal of surplus wheat will continue to be a problem in United States-Canadian relations."

"Until a larger role can be restored to market forces." That is the key to the whole situation and the only real hope of permanent improvement.

Subsidies, price supports, parity prices, deficiency payments and other costly, tax-supported devices have almost completely destroyed the vital connection between market forces and the grower. In the old days when the price of wheat declined, marginal growers in the United States and Canada switched to other lines of production. Now they don't have to. They simply put pressure on their Congressman or threaten to "march on Ottawa." Our wheat troubles won't be over until there is a major change in public thinking and marketing policies.

Here Are The Real Experts

There is one aspect of travel into outer space in which Canada has a clear advantage. If any of our political leaders feel that our national prestige demands participation in the space race (a proposition open to much doubt) there is an obvious area for Canadian participation in research.

In the current state of scientific knowledge, it appears that the only way a man is apt to reach the outlying planets is in the form of a human ice cube: frozen solid to "stop the life process" during the years-long journey. When frozen stiff, scientists now believe, a man requires neither food, nor oxygen, nor companionship. He can be tucked (hibernating) into a small capsule and hurtled insensible towards the stars. Theoretically, on arrival he thaws out and becomes once again hungry, sociable, and inclined to breathe heavily.

Residents of Western Canada will have no difficulty in grasping the scientists' point. This year, in particular, when the thermometer has registered 20 to 30 below zero for weeks on end, Western Canadians are fully familiar with the slowing down of the life processes that occurs at such temperatures. They have also experienced the sharp revival of sociability and appetites that results from adequate application of warmth and anti-freeze.

Canadian scientists who entered this aspect of space research would not have to fool about dunking mice into dry-ice-and-alcohol baths in order to reduce their temperatures. They could set up a station at White River, Ont., use the natural facilities there offered for reaching low temperatures, and conserve the ice and alcohol for use in the thawing-out process.

The saving in mice alone would be enormous, and Canada would have the satisfaction of making a unique contribution to space research.

A Clear-Cut Bargain

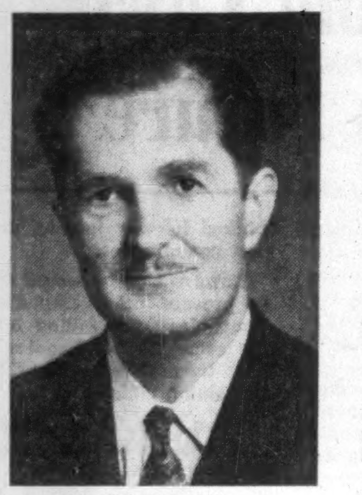
When the Manitoba government approaches Ottawa for federal aid in building a floodway around Winnipeg, it will not be asking federal taxpayers to buy a pig in a poke. The cost of the flood prevention measures has been carefully estimated by the Manning Commission at $72,483,000—and the cost of **not** taking these precautions has been equally carefully estimated at 2.73 times the price of protection. On an annual basis, the Manning Commission argues that by spending $4 million a year over the next 50 years, Manitoba can save $10.9 million a year. This is a bargain any way you look at it.

The cost of leaving Greater Winnipeg unprotected has been arrived at by calculating, on the basis of past experience, the probable frequency of floods in the area in the next 50 years, and estimating the losses involved in such flooding. No "intangible" benefits are included—no cash value placed on the greater peace of mind enjoyed by the residents when they no longer have to indulge in the annual guessing game about the intentions of the Red River. Even the expected increase in property values and incomes in the area has not been fully taken into account: if it were, the cost-benefit ratio would rise to 4.09.

Taxpayers outside Manitoba are bound to become involved in this project one way or another. For one thing, many individuals and business concerns outside Winnipeg own property in the flood-threatened area — or carry mortgages or insurance on the property. Another reason is that a Red River flood, when it occurs, is always of a magnitude that makes it a national calamity, with public and private donations pouring into Manitoba. It would be neater and tidier, as well as less costly, to make some contribution to preventing the calamity instead of rushing to the rescue after it has taken place.

How much the federal government should contribute to the flood diversion scheme, and on what terms, will naturally be a matter of inter-governmental haggling. But Manitoba should at least get credit for having made a good dollars-and-cents case, needing no impassioned oratory to be convincing.

Post Scripts



MR. KEAST

He Came and Stayed

New president of the Montreal Real Estate board is David S. Keast, an American who came to Canada during World War II to join the Navy and remained to become a leading figure in real estate.

One of his biggest deals last year was the sale in association with others of the Turcot plant of Canadian Car Co.

Keast was born in 1904, at Newcastle, Pa. He graduated in arts from Amherst College, Amherst, Mass., and in law from the University of Pittsburgh.

At that time the depression was deep and the outlook not too promising for a fledgling lawyer, Keast turned to real estate for a living. In 1943 he enlisted in the Canadian Navy and became an instructor at HMCS Cornwallis, near Digby, N.S., the Atlantic coast basic training establishment.

Upon discharge he joined Housing Enterprises as rental supervisor and director of public relations. Traveling from coast to coast, Keast says, "I learned more about Canada than I ever learned about the United States." Later he became real estate manager of Kensington Industries Inc. and three years ago he founded his own firm, David S. Keast Associates.

At one time an ardent horticulturist and grower of prize tomatoes, Keast no longer indulges his hobby. The lot in Westmount, Que., on which his home is built isn't large enough to accommodate a large garden and Keast is no believer in half-measures.

He is married to the former Edna McAteer, whom he met in Toronto. The couple have two sons.

* * *

MR. PEARSALL

Departmental Streamlining

To deal with a work load which has been increasing for years, the federal department of agriculture is in the midst of an administrative streamlining which will fuse four present services into two new branches. Two new assistant deputy ministers have been appointed to head the new branches, effective next April 1.

The new chiefs are Dr. Cyril Harold Goulden, 61, who becomes assistant deputy minister (research) with jurisdiction over a Research Branch formed by the merger of Experimental Farm Service and Science Service. Luke Windham Pearsall, 63, becomes assistant deputy minister (production and marketing), head of a Production and Marketing Branch formed by merging the present Production and Marketing Services.

The new Research Branch will be one of the largest agricultural research organizations in the world. It will consist of 40 laboratories and experimental farms in all provinces and in the Northwest Territories.

Cyril Goulden is an agricultural research officer of wide reputation. Born in Wales, he came to Canada as a child of three when his parents settled at Yorkton, Sask. He joined the agriculture department in 1925 after taking B.S.A. and M.S.A. degrees at University of Saskatchewan and Ph.D. at U. of Minnesota. For 23 years he was in charge of the department's Cereal Breeding Laboratory at Winnipeg, where he developed new oat and wheat varieties which have added millions of bushels to the grain

DR. GOULDEN

production of the west. In 1948 he became chief of the cereal crops division of the Experimental Farms Service and, in 1955, director of the service itself.

He married the former Flora Matheson of Winnipeg, nationally known violinist, in 1929. There are two daughters.

Hobbies? Several years ago, Goulden took up motion picture photography and progressed to the point where large expenditures were necessary for sound equipment. To economize, he switched to hi-fi.

Luke Pearsall's new post will be a demanding one (he is also chairman of the Agricultural Stabilization Board set up by the Agricultural Stabilization Act of a year ago). There are nine divisions in the present Marketing and Production Services.

Born at Oro Station, Ont., near Barrie, Pearsall interrupted his college course during the First World War to join the Canadian Army, served at Amiens where he won the Military Medal. He returned to college afterwards, and graduated from Ontario Agricultural College in 1922. He joined the agriculture department as a grader in 1922 and was made a district supervisor three years later. He became assistant chief, livestock marketing service, in 1933; associate director, marketing service, in 1948; and director, marketing service, in 1950. During the Second World War, he was chairman of the Bacon Board which later became the Meat Board; and represented Canada on the Combined Food Board at Washington.

He was married to the former Ada Gilchrist of Orillia, Ont., in 1923. There is one son.

* * *

MR. LEVY

Top Insurance Man

Mort L. Levy, CLU, has been elected president of the National Life Underwriters Association of Canada, a 9,500-member body representing insurance men from coast to coast.

Levy, a top representative of Imperial Life Assurance Co. at Toronto, is also a life member of the Million Dollar Round Table—an honorary international group of men who have attained consistently high production records in life insurance sales.

The high volume of work that won Levy his life membership in the Round Table has not prevented him from taking the time to play a leading role in the activities of the Underwriters Association over the past several years.

Last year he was chairman of its committee which drafted a new constitution adopted recently by the Association at the annual meeting.

One of its major changes is the provision that each of the 14 regions of the Association will have a representative on the national directorate.

Improvement of the role of the underwriter is one of its prime objectives. To help achieve this aim, the Association recently introduced a new two-year elementary training program, to prepare junior insurance men for the three-year advanced course leading to the Chartered Life Underwriter designation.

Levy himself won that designation in 1942, six years after he became an Imperial Life agent. From 1913 to 1936 he had been in the retail shoe business in Toronto.

While an engineering student at the University of Toronto, Levy won the Canadian intercollegiate middleweight boxing title, ran the quarter-mile, played on the Varsity basketball team and on the SPS football squad.

These activities have given way to the less strenuous hobby of photography.

He and his wife, the former Celia Levy of Hamilton, have a son and daughter, both married, and five grandchildren.

What Others Are Saying

Early Decision Vital

Winnipeg Free Press

"Mr. Dulles, who for six dangerous years has been so large a figure in the world's affairs, is not a man who will appreciate the sentimentality of those who hush discussion of the hard problem his illness creates. It is quite certain that in the next few months many major decisions, decisions that will closely affect the greatest issues of peace and war, will have to be made.

Can the foreign policy of the United States be effectively operated, in these months, by a Secretary of State in less than full health and vigor?

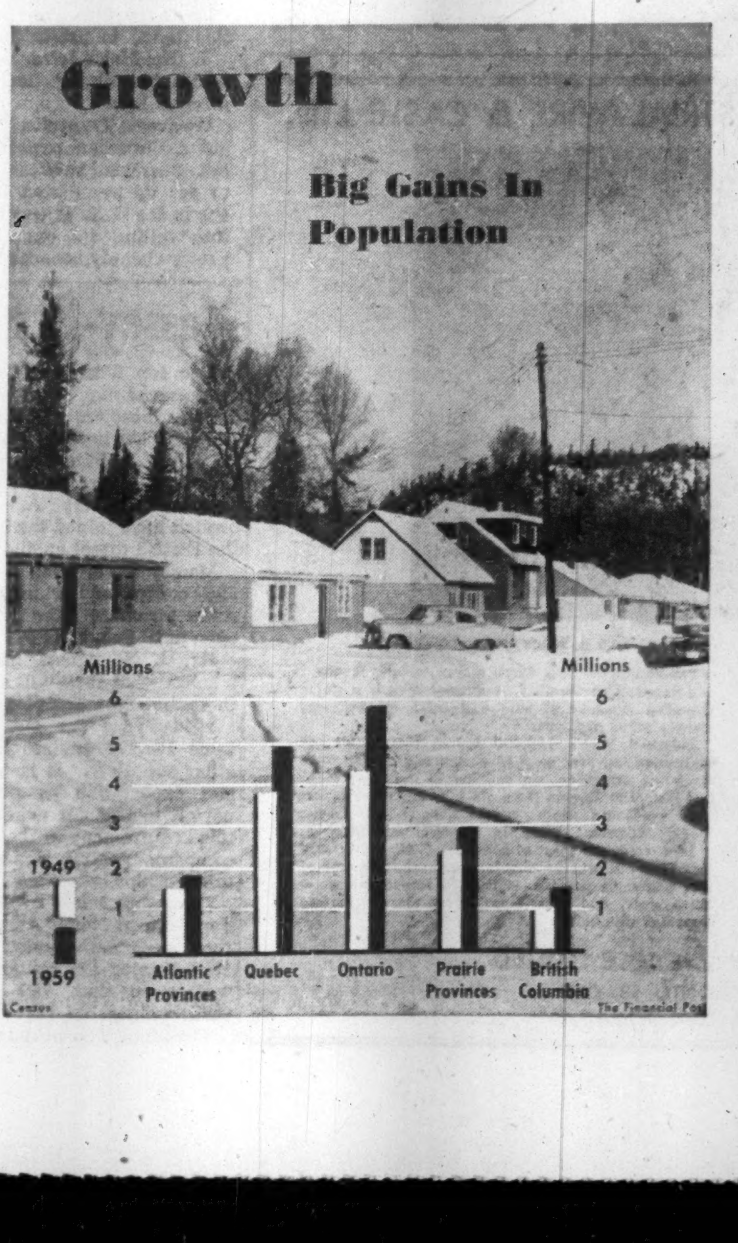
The honest answer is plain. If there is a good probability of Mr. Dulles recovering quickly, most of us will hope that he retains his post. But if the medical opinions do not provide confidence of that, it is better that his heavy responsibilities should be clearly handed over to a successor.

SWITCHING TAXES doesn't lighten the load, points out the **Deloraine (Man.) Times.** "The way out of heavy taxes is not to impose a sales tax. We never lighten taxation by trading taxes. The only way to lighten taxation is to curtail spending."

THERE IS ROOM for an immense growth in secondary industry in Canada, argues the **Peterborough Examiner.** "It takes time, of course, and it takes encouragement. But if the same enthusiasm were shown for secondary development as has been, for example, for the development of the oil resources recently in the far North, a large part of the problem would be solved."

THE NORTH AMERICAN automotive industry is beginning to realize that there is a place for the small car says the **Windsor Star.** "For a long time automobile manufacturers dismissed the small car as a sort of plaything. The opinion was expressed that it was merely a passing fancy. But imports from Britain and other European countries have risen at such a terrific rate that these firms have changed their minds."

MORE PROCESSING of our own raw materials depends on a larger domestic market, points out the **Ottawa Citizen.** "The more rapid the growth in Canada's population, the quicker will be the expansion of industries using Canadian raw materials. To that end, an immigration policy designed to add to Canada's population to the greatest possible degree is necessary."



Uncle Sam Turning His Back on Trade?

By C. Knowlton Nash

WASHINGTON, D.C.—The smell of protectionism is in the air once again in Washington.

There are some signs and plenty of feeling that Uncle Sam is turning his back on his much-proclaimed adoration for "freer trade." This coincides with a general opinion in Washington that the Eisenhower Administration, which started out with "modern," liberal Republicanism, is turning back to the more traditional Republicanism.

Observers are noting a trend in these actions:

The imposition of lead and zinc quotas.

The rejection of the English Electric bid.

The increasingly tougher oil import quotas.

A decision against removing an especially heavy tariff wall against Uruguayan wool.

Comments by the State Department on the necessity for protection of domestic industries in a number of cases.

Statements by Agriculture and Interior Department officials on the benefits of restricting various imports which compete with U. S. products.

* * * *

THERE ARE FEARS that this creeping protectionism may turn into a gallop. The White House does not seem to be as vigorously opposing the high tariff promoters in and out of government as it was only a year ago. One line of argument being heard is that Under Secretary of State C. Douglas Dillon, the top economic man in the State Department, is holding his fire against the protectionists in Congress because he wants to be secretary of state and does not want to anger any Congressmen at this time. Another thought is that as President Eisenhower heads into his last two years in the White House he is becoming increasingly less interested in fighting the liberal trade war, taking it easy because of his health and spending almost all his working hours on foreign affairs and defence.

It was only a year ago that the Administration fought and won an important victory over the protectionists in getting the extension of the Reciprocal Trade Agreements Act and authority to substantially cut tariffs. But since then, a lot of holes have been shot into this liberal trade victory.

* * * *

WHILE STILL SUPPORTING the general principles of liberal trade, Secretary of State Dulles himself has suggested these principles are hedged about by a number of qualifications. He said recently, "There is the fact that the general principles about liberalizing trade are in every country subject to certain exceptions and qualifications . . . You cannot take a generality and apply it literally clear across the board. We do also have a requirement that certain types of activity which are determined to be essential to the vital security of the United States shall be kept alive and given a certain measure of protection."

This particular statement is not startling for what it says but rather because of who says it. It indicates the Secretary at least, if not the whole State Department, is thinking in terms of protecting American industry and forgetting about previous emphasis on the need for more imports to beef up the free world economy.

* * * *

ANOTHER STRAW IN THE WIND on the separation, if not divorce, of the Administration and its liberal trade attitudes, is the apparent surrender of efforts to get Congressional approval of the Organization for Trade Cooperation. For the last few years, the President has made a strong plea for O.T.C. to act as an administrative arm of GATT. The Congress has turned him down each time, and this year he seems to have given up the ghost for O.T.C.

There is a feeling in Congress that the White House is now more receptive to pleas for protection and hence there has been an increase recently in protection demands. The Tariff Commission recently recommended a 100% to 150% increase in duties on tartaric acid and cream of tartar imports and the one U. S. producer is hopeful Mr. Eisenhower will go along. The Tariff Commission also launched investigations into imports of hardwood plywood. The office of Civil and Defence Mobilization, through the "national security" loophole in the Reciprocal Trade Agreements Act, is investigating imports of cobalt and tungsten.

In Congress the copper and uranium producers are making headway in trying to get Congressional support to keep out import competition.

Stop Me If . . .

The Sunday School class was composed of three and four year olds. The teacher asked, "Do any of you remember who St. Matthew was?" No answer.

"Well, does anyone remember who St. Mark was?" Still no answer.

"Surely someone must remember who Peter was?"

The little faces were full of interest, but the room remained quiet. Finally a small voice broke the silence: "I fink he was a wabbit!"

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FDR's American Revolution

How Roosevelt Improvised the Big, Modern "Welfare State"

By J. B. McGEACHY

The big, extravagant and expensive modern state (which I, for one, dislike heartily but accept as a deplorable necessity) dates from the Great Depression of the 1930s; and its principal architect, on this continent anyway, was Franklin D. Roosevelt, U.S. president in 1933-45.

A new book by Prof. Arthur Schlesinger of Harvard, "The Coming of the New Deal," has refreshed my memories of FDR's arrival in the White House and his first uses of power. In a larger work called "The Age of Roosevelt" this is Vol. 2.

It's an account of the events of 1933-34. In those years Roosevelt took charge of a collapsed, nearly defunct American economy. With smiling courage and irresistible oratory he revived drooping, nearly despairing American spirits.

No one dissenting, he assumed dictatorial powers. He spent freshly printed money like water. He assembled a staff of egghead advisers, nicknamed the brain trust, the like of which Washington had not seen before. He gave cosy fireside chats to enraptured millions. Almost at once he became the most dramatic American hero and symbol since Lincoln.

Ignorant of business and economics, indeed contemptuous of both, he listened with equal blandness to academes of all schools. From their conflicting opinions, and with no over-all plan or theory of his own, he blithely improvised the measures (some of them wise, others unsound) that re-shaped American society.

He did not cure the depression; but at least he fed and cheered up the hungry. More important, he fashioned the contemporary western state — half-way between laissez-faire and communism — that will be with us all, for richer, for poorer, in sickness and in health, till death do us part.

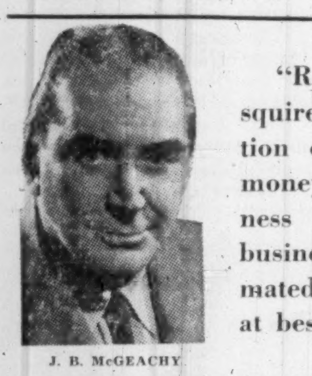
The French Revolution of 1789 did not compare in its social effects with this bloodless Rooseveltian upheaval.

Schlesinger tells the first part of the story at length (669 pages) and with great learning and skill. He is a warm partisan, holding high a torch for FDR and attempting (unsuccessfully, I think) to give the New Deal a coherent pattern and doctrine.

This makes his book readable — all the best historians are partisans — but obliges the serious student to consult at least one book written from the opposite point of view. I suggest Vol. 3 of Herbert Hoover's Memoirs (called in self-exculpation "The Great Depression, 1929-41"), a dull and morose work; or John T. Flynn's "The Roosevelt Myth."

I draw wry satisfaction from remembering that on the cold, grey, gusty day in March, 1933, when FDR took over the presidency from Hoover, I was there as an eye-witness while Schlesinger, then aged 15, was presumably at school. A Washington correspondent, I was one in the crowd of thousands that huddled under the lowering sky, coat collars turned up against the snell breeze, waiting for greatness to reach the top of the Capitol steps where the Chief Justice stood with a Bible in his hand.

To be able, from personal memory, to check and amplify a historical work by a top Harvard pundit must be one of the consolations of growing old.



J. B. McGEACHY

"Roosevelt was a country squire with no need, inclination or talent for making money. He regarded business as 'absurd' and the business world in turn estimated him as a crackpot or, at best, a lightweight."

Schlesinger tells, with truth and enthusiasm, of the electrifying effect of Roosevelt's first inaugural address. The crowd was enthralled by the confident voice and the phrases. "The only thing we have to fear is fear itself." "The money-changers have failed through their own stubbornness and incompetence." After the doldrums of poor Hoover, this was stirring stuff.

I can add some trivia to the historian's account.

FDR was ten minutes late. The radio man who kept the crowd content, after telling us a dozen times that we were "a great sea of intelligent American faces," tripped on the tongue-twister he devised for himself at the high moment: "Here he comes now, up the rug-red, red-rugged ramp that leads to the presidency."

A very young sailor who held the Stars and Stripes in front of the official scene, having to stand at ramrod attention for a long time, was unable to wipe his azure-blue and profusely running nose. The diplomat's wife in front of me had purple hair, a new fashion. "I'd rather see than be one," cracked the female journalist at my side.

Faintly from another part of town we heard, as the ceremony began, the revolutionary songs of the hunger marchers who had been constantly on parade during that bleak winter.

How bleak it was must be understood if you wish to grasp the impact of FDR and the sheer necessity of the welfare state. The American national income had fallen by 50%. In about half the states the governors had ordered all banks closed to prevent runs. There were 13 million unemployed.

Washington friends of mine were putting in flour and beans as though preparing for a siege. Desolation gripped the land. Many thought the second American revolution was about to begin, as indeed it was though it didn't take the bloody form they feared.

An "old order," Schlesinger's phrase for it, was expiring and already past salvation. It was an order notable for unrestricted competition and gross inequality.

The billionaire paid (1929 rates) 20% tax on the upper instalments of his income. Labor unions were feeble and mill hands earned $8 or $9 in a 50-hour week. Social security was unknown. Unemployment relief was deemed a local issue; Hoover offered nothing to those 13 million while Mellon, his treasurer, thought hunger might do them good. Business, banks and the stock exchange were virtually uncontrolled by the state.

It's plain that greed and callousness (authorized by the "classical" economics of Adam Smith, Ricardo and Malthus) helped to bring the old order down. But it may be (nobody has yet worked out this point theoretically) that a modern, industrial nation cannot be run solely by a multitude of private decisions, no matter how virtuous and wise the decision-makers.

That may be debatable. What we know is that Mr. Hoover floundered (though he doesn't say so in his memoirs) in his efforts to end the depression by orthodox methods. We know too that the system he tried to save is gone with the wind and extinct as the dodo, together with yesterday's seven thousand years. Roosevelt didn't save it. He built a new model from scratch.

I think that Schlesinger, in telling how FDR began his job, understates some of the drama. For one thing, the American people had no knowledge of the calibre of Roosevelt on March 4, 1933. At the same date nobody in the U.S., perhaps not the new president himself, had the faintest idea of what the Roosevelt policies would be like. And the New Deal, when it came, was a series of nearly blind improvisations. These extraordinary facts, fascinating to connoisseurs of politics, are insufficiently stressed, or even obscured, by the historian.

Roosevelt, be it remembered, was a country squire with a comfortable patrimony, a Groton-Harvard education and no need, inclination or talent for making money. He regarded business as "absurd" (his own word) and so the business world in turn estimated him as a zany, a crackpot or, at best, a lightweight.

So did some intellectuals. Lippmann in 1932 called Roosevelt an amiable man who wanted very much to be president but had no qualifications for the job.

On election night in the same year I listened to the returns by radio in the National Press Club, Washington. When it was clear that Roosevelt had won in a walk, a venerable newsman rose from his armchair, scowled darkly and left the club muttering: "So now we have a torso in the White House."

From neck to waist FDR was magnificently developed by swimming but his legs had been paralyzed by polio. My press colleague evidently thought that his head was equally unreliable.

At a dinner in the same club a month later the president-elect, not yet in office, was the guest. I sat next to an uncle of his, a distinguished architect named Delano. It was clear from this fruity old gentleman's conversation that he was tolerantly fond of his nephew, a fine, manly chap, but felt sure he would be away out of his depth in the White House.

To friend and foe alike FDR the invincible president was as unexpected and astonishing as Sputnik 25 years later. So was his program. At the same Press Club dinner he gave us an off-the-record talk and, believe it or not, his theme was Hoover's immense extravagance and wild enlargement of the bureaucracy.

Indeed he had promised the people in his 1932 campaign that he would save money, balance the budget and slice off the government's superfluous fat. In office he was to enlist an army of bureaucrats that made Hoover's civil service look like a corporal's guard. He was to spend three times as much as all the 30 presidents from Washington to Hoover put together.

Such are the workings of democracy. It looks doubtful, when one surveys the record, if Roosevelt thought of the public as a rational animal. He knew — how well he knew! — that the common people had feelings, especially hunger and hope; but I hardly think he credited them with brains. Perhaps only mental geniuses esteem the public intelligence. Roosevelt himself was not a great brain but a great heart, "a second-class intellect but a first-class temperament," as O. W. Holmes summed up.

It was Roosevelt the man of feeling who captivated the American nation in 1933-34. Another anecdote from my own book will illustrate how the arrival of his menage lit up Washington like a Christmas tree at a dark crossroads.

One day in 1932 I received, hand-delivered by courier, a card on which the President and Mrs. Hoover invited "J. B. McGeachy and Lady" (I was then a bachelor) to an evening reception. Press friends warned me it would be grim. As none of the women I knew had any interest in going, I decided to cut the affair though this seemed to me, a royalist, close to lese-majeste.

But my mother visited Washington at the time and found the card on my mantelpiece. That settled it and I am glad we went. It is not every day that a man may whirl his mother round the White House ballroom to the music of the U.S. Navy band.

But this sounds gayer than it was. Other guests seemed smitten by frostbite or lockjaw. Limp handshakes and tired smiles were our only communication from the presidential pair. Colored footmen in chocolate uniforms moved about with silver salvers; but the only refreshment they had to offer was water — no food, no sustaining beverages with or without alcohol but plenty of honest-to-goodness water in little glass cups with handles.

It was the very best water, nicely chilled. Still, as mother said, a cup of tea and a bun would not have come amiss and could hardly have been condemned as a flaunting of luxury in the faces of the hungry men outdoors.

A year later few journalists wanted to cut White House receptions. The Roosevelts invited the press all together (not in handfuls with handfuls of diplomats and politicians at intervals through the season) and they gave a party that was rather like a picnic.

Beer and wine were served as soon as legal (which was almost at once by amendment of the notorious Volstead Act) and so were sandwiches and hamburgers. Guests who could sing, play the piano, tell stories or perform tricks were urged to do so. The president laughed, chatted and told his own best jokes. There had been no such goings-on in the official mansion, for the press anyway, in living memory.

These may seem unconsidered trifles, of which I am a hardened snapper-up, but indeed they are not. The long Roosevelt reign, which would have run 1933 to 1949 and maybe longer had he lived, was the triumph of a personality, not an ideology. True, the New Deal was a more important historical fact than the quiddity of FDR the man; but the one would not have happened without the other.

Prof. Schlesinger does justice to the man. But his book is mainly an elaborate though never dull account of early New Deal measures.

FDR's performance in his first 100 days may have no parallel in any age or place. He abandoned the gold standard. He reformed banking and stock exchange practice. He put millions to work in forest camps and at other jobs derisively called "boondoggling." He launched the Tennessee Valley project.

He strengthened unions and cut working hours. He instituted federal relief. He financed home-building. He initiated the farm subsidies and credits that made farmers happy but led to today's gargantuan confusion in U.S. agricultural policy. Most spectacular of all, he set up NRA (the National Recovery Administration) with its symbolic blue eagle.

The men who dreamed up and operated these schemes, a mixed bag of brilliant scholars, eccentrics and hard-boiled administrators, are sketched in lively colors by Schlesinger. One of the most picturesque was Gen. Hugh Johnson, the Irish-blooded, hard-working, hard-drinking, profane, deeply religious, irascible and brainy ex-soldier who ran NRA.

The evangelical flavor of those exhilarating but moonstruck New Deal days may be summed up in a quote from Johnson. NRA, said he, "is as great a social advance as has occurred on this earth since a gaunt and dusty Jew in Palestine said: 'The Kingdom of Heaven is within you.'"

NRA, in fact, was an expensive and disastrous flop. Modeled on Mussolini's fascist "corporatism," it compelled the firms in each industry to do what law and tradition had forbidden them to do — combine forces and agree on codes that fixed prices, wages, hours, etc. Along with some other New Deal statutes, NRA was thrown out by the Supreme Court. Like Bible Bill Aberhart at the same date on Alberta's smaller stage, Roosevelt was saved from his mistakes by the judges he was to revile.

As NRA shows, Roosevelt would try anything once. Schlesinger admits his hero's errors, as he must; but he manages, all the same, to convey the impression that the New Deal was a tidy operation that proceeded according to plan and according to the gospel.

In fact there was no Rooseveltian theory of the state or society. He had indeed one central driving purpose, which was to comfort the afflicted while afflicting the comfortable; but in method he was always an improviser, using devices, ideas and people as they came to hand.

For the kind of state that Roosevelt created and bequeathed there is still no dogma, recipe or even a name. "Welfare state" is only a partial description of a social system that is neither free capitalism nor socialism but an amalgam of the two.

But the want of a theory or a label for our mixed economy doesn't matter much in the empirical, trial-and-error western world. What matters is that this new kind of state, the permanent residue of Roosevelt's career after all his experiments, blunders and controversies were over, is here to stay.

The New Deal did not cure the depression. In 1936, after four years of it, the American unemployed still numbered 10 to 11 million; and it took the war to get them to work. But in 1936 Roosevelt was re-elected by a record-breaking majority.

Why? Because in that year the unemployed (and other out-of-luck people) were not hungry as they had been in 1932 and because they knew that callousness was no longer official in the Government. The New Deal succeeded because it was humane — and to hell with economic theories, especially those that said hunger might be good for you.

To sum it up, Rooseveltian policies can't end or prevent hard times; but they do make sure that people won't starve to death or become so disenchanted that they want to sing revolutionary songs. This is not news but it is worth remembering. For the survival of what's left of free enterprise we owe our thanks, in part, to FDR.

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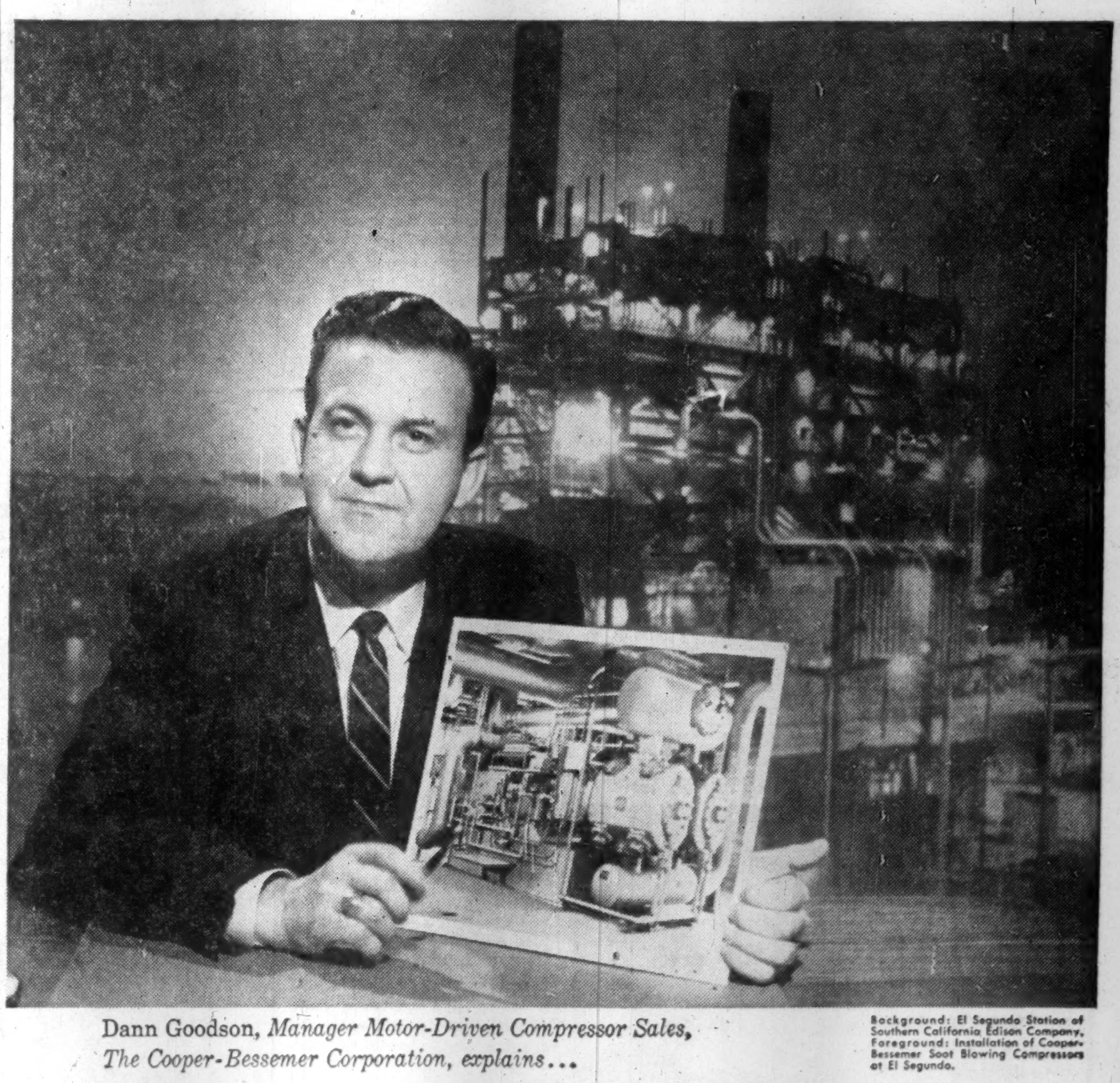

Dann Goodson, *Manager Motor-Driven Compressor Sales, The Cooper-Bessemer Corporation, explains...*

Background: El Segundo Station of Southern California Edison Company. Foreground: Installation of Cooper-Bessemer Soot Blowing Compressors at El Segundo.

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The appointment of Vincent F. Massive as Assistant to the President is announced by G. W. Powell, president of The Chantecler Hotel, Ste. Adele, P.Q. In addition to his new responsibilities, Mr. Massive will continue to act as liaison with convention and sales meeting groups.

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What New Air Defence Policy Means to You

(CONTINUED FROM P. 1)

The Canadian one third will cover all construction.

The old 2-1 cost-sharing agreement on the Pinetree radar chain divided Canadian and U.S. responsibilities by areas.

Two thirds of the radar stations were U.S.-financed, and U.S.-manned (though Canada has taken over the manning of a few of them since). The rest were financed and manned by Canada.

Now the cost-sharing makes no division by areas and no distinction according to which country is to man the stations.

The U.S. pays for the technical equipment for all, and Canada pays for the construction.

(Ground communications will be by lines leased from the Canadian communications companies).

The new concept of Canada's industrial base does not yet apply to the Navy's shipbuilding programs nor the existing aircraft orders for the Army and Navy.

But the same philosophy is likely to spread, because the government's experts are convinced that there is no future in trying to have Canadian industry produce Canadian requirements alone.

As all the technology becomes more and more complicated and expensive, so the cost of producing the very small number of complete items needed by Canada becomes excessive, it is said.

The biggest single contract yet secured for a Canadian firm to supply both U.S.-financed and Canadian-financed radar stations in Canada is the $9 million order announced by **Canadian General Electric** this week.

It was mentioned in Defence Production Minister O'Hurley's parliamentary statement this week (though with the incorrect total of $6.5 million). But it is not really any true part of the new production-sharing arrangements.

It dates back a couple of years, and is part of the Pinetree "radar improvement program" agreed long before Norad or SAGE or Bomarc had come into the picture.

The "radar improvement program" was based on a Canada-U.S. agreement to bring the original Pinetree radar stations up to new standards — chiefly by raising their ceiling from 45,000 ft. to 70,000 ft.

This involves:

- **For all U.S.-financed stations** and most of the Canadian ones: a modification-kit known as GBA27 which brings the original FPS2 radar sets up to the required standard.
- **For three Canadian-financed stations,** which started out with another kind of set (CPS6B): installing a new set (FPS20).
- **For all, both U.S. and Canadian,** a new height-finder, called FPS6.

The important thing about the CGE contract, even though it ante-dates the new production-sharing plan, is that it covers requirements for both U.S.- and Canadian-financed stations.

Canada-U. S. Spending

Here's how Canada-U. S. defence spending compares:

	1953	1954	1955	1956	1957
	($ Millions)				
We spent in U. S.	129.7	101.1	77.4	40.3	36.1
U. S. spent in Canada .	127.1	108.4	55.9	43.4	43.0

Source: Dept. of Defence Production.

SEE ALSO P. 30

The FPS6 height-finders — 34 of them — will be made for all Pinetree stations by CGE.

The three FPS20s required for Canadian-financed stations are being made by **Northern Electric.** (In the U.S., they are made by **Bendix**).

The BGA27 modification kits were also a Canadian ambition. But this order we lost — mostly because of delivery time.

Distinct from this two-year-old "radar improvement program" is the new "radar extension plan" adopted in 1958 which is part of the new SAGE-Bomarc air defence system. And it is the first real test of the new promises of production-sharing.

It has four main elements:

- **"Heavy radar":** This means installing seven big new stations to raise the ceiling of the whole system from 70,000 feet to 100,000 feet. Each has a radius of 500 miles. Five of the new stations will be in the U.S.-financed sector, and two in the so-called "Canadian sector."
- **"Gap-fillers":** This means a chain of some 45 small radars which fill in the gap underneath the coverage of the main stations.
- **Semi-automatic ground environment:** The communications, SAGE computers and radio transmitters which make up the so-called SAGE system, as previously described.
- **Bomarcs:** Two launching sites for Bomarc missiles (one chosen, one not yet determined) to be installed in the "Ottawa SAGE sector" and manned by the RCAF.

On this new program, only one important Canadian contract has been announced; and only one of the four elements has had a price-tag attached.

The contract, which amounts in the first instance to $1.7 million, has gone to **Canadair,** as a sub-contractor for Boeing Aircraft Co. at Seattle, which is the "systems manager" for the whole Bomarc program.

It covers the wing-tips and ailerons for the Bomarc missile.

It makes Canadair the sole source of essential components for the Bomarc Mark II, for both the USAF and the RCAF.

The first small contract should therefore be increased manifold as the production program develops.

The first idea of total costs on the whole new air defence program was given in the House of Commons by Defence Minister Pearkes.

For purposes of comparison with the Arrow interceptor, he said that two Bomarc sites, as planned, are expected to cost $110.8 million.

Roughly two thirds of this consists of the missiles themselves and the technical equipment which U.S. will pay for.

The remaining third will cover construction, which Canada will pay for. No costs have been given on SAGE, heavy radar or gap-fillers.

No 'Crash Stop' in U.S.: Aircraft Lobbies Strong

By C. Knowlton Nash

WASHINGTON, D.C.—Washington is keeping a close eye on the furor raised over the Ottawa decision to dump the CF-105 Arrow program.

It has dramatized as nothing else has, the arrival of the missile age.

Such a sharp cut-off would be an exceedingly rare event in the U. S. because of the effectiveness of U. S. aircraft industry lobbies.

While the lobbies could not stop a termination, they are powerful enough to force a slow tapering off instead of an abrupt end to a program.

Avro, while stirring up considerable public controversy, simply does not have the power in Ottawa that the U. S. airplane companies have in Washington.

Any U. S. program cut-off resulting in the dismissal of 14,000 workers would raise such a hue and cry in Congress (properly stimulated by the aircraft lobbies) that the Administration would do almost anything to prevent it.

While there have been program "phase outs" and "buy outs" such as the Navajo, the U. S. Administration usually solves the problem by keeping factories busy for the time being even on some military hardware that will very soon be obsolete.

Washington puts considerable stress on economic matters as well as the strategic military needs.

With 175 million taxpayers, the Pentagon has somewhat more fiscal room in which to operate than does Canada with our 17 million plus taxpayers, and can afford the luxury of a slow "phase out."

While some economy-minded Congressmen and experts have complained the U. S. is spending hundreds of millions of dollars in producing equipment that soon will be all but useless for the military, the government seems to prefer spending money this way than to have plants idle and more unemployed, even temporarily.

They're Declaring War On Discount Retailers

(CONTINUED FROM P. 1)

Philips apparently have plans to follow suit.

One industry official points out that direct selling is much more costly to the manufacturer than using wholesalers.

Schick's plan:

To discontinue wholesaling March 31 this year, shave its discounts to retailers and establish a more realistic suggested retail price level.

It will knock down Schick's suggested retail prices by as much as 26.5%.

Company sees a better advantage for smaller retailers who will be able to buy direct from maker at same discount as bigger stores.

Schick will launch a major advertising and promotion program at local levels with the change.

Watch manufacturers, vulnerable to discounting at retail, are in the fight with lower-priced models.

Elgin Watch has brought its starting price for the Elgin line down to a new low, at just over $20.

Not all manufacturers in the consumer field are alarmed, though they have plans to maintain their positions through heavy advertising and promotion programs.

"By creating a demand and establishing our name, we've found public ready to buy despite the lures of so-called discount stores," one electric shaver maker told **FP**.

ANNOUNCEMENT

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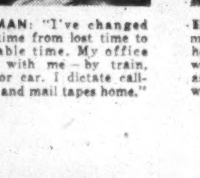

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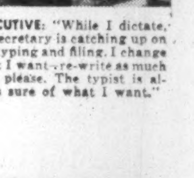

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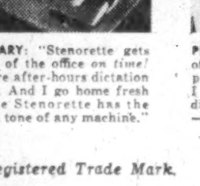

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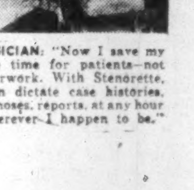

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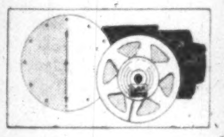

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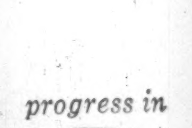

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Ottawa Statement:

Here's how Ottawa explains why an official gets names of big borrowers from banks...

By MICHAEL BARKWAY

OTTAWA (Staff)—Why does Ottawa need to know the names of the banks' big borrowers?

Why does it want monthly returns of individual lines of credit exceeding $1 million, with the amounts outstanding?

The new requirement of the Inspector-General of Banks makes no difference whatever to three of the nine chartered banks.

It requires another three of them to report authorizations between $1 million and $3 million (instead of those over $3 million only).

The remaining Big Three must now include authorizations down to $1 million instead of those over $5 million.

In principle, the adoption of a uniform basis of reporting makes no difference to the banks' relations with their customers.

It adds nothing to the information available to the Inspector-General ever since his office was established in 1924.

It merely provides more of it in more useful form.

But objections raised by bankers last week have brought to light a practice which had never before been publicly revealed.

How did it arise? Is there any good reason for it?

Does it mean that the government can pry into the secrets of any individual or company with bank commitments of more than $1 million?

Here are the quick official answers:

- **It isn't the government** — neither as the cabinet, nor as any individual minister, nor as the civil service — which gets the information.
- **It is the Inspector-General** of Banks, who is directly charged by Parliament in the Bank Act to investigate all the banks' operations and to ensure that they remain in sound financial condition, and obey all the laws provided for the safety of depositors and shareholders.
- **A primary and vital necessity** in assuring sound banking is sound loans, and particularly a varied distribution of loans.
- **Bad loans** caused the failure or merger of several banks in 1923-24, and public concern about these led Parliament to appoint an Inspector-General of Banks.
- **Since the "tight money"** controversy between 1955 and 1957, the present Inspector-General, C. F. Elderkin, has obtained regular monthly information about the lines of credit authorized for big borrowers as well as the amounts outstanding.
- **Changes in outstanding loans** — with names — have been reported regularly by the banks since long before Mr. Elderkin became Inspector-General in 1945. No one can precisely remember when it was started.
- **The Minister of Finance** has powers under several sections of the Bank Act to get information from a bank about any of its affairs.

But on no occasion since the recession difficulties of the 1930s, has he obtained information about individual loan accounts from the Inspector-General of Banks — so far as record and memory goes.

Here are some further details:

The responsibility of the Inspector-General of Banks to ensure their sound financial condition has always been seen to require, primarily, a detailed knowledge of their assets and liabilities — in which their loans are crucial.

The bank mergers and failures which brought about the system of government inspection back in 1924 (see adjoining column) nearly all resulted from lending which was unsound in some way.

Either there were too many bad loans; or the loans, though good, were too illiquid; or too much of a bank's resources was put into one line of business.

Both history and common sense, it is claimed, thus show that complete information about loans is the very nub of the Inspector-General's task.

Without it there is no possible means of carrying out the responsibility laid by Parliament on this single official to certify at least once a year that each bank is in a sound financial condition.

As a matter of practice, the Inspector-General spends most of the summer months visiting the head offices of all the banks and inspecting their books.

Habitually and regularly, in the course of this examination he calls for files with all the details of a selection of loan accounts.

He has power to go himself, or to send his staff, to any bank any day and collect up-to-the-minute information on loan commitments.

Instead, it has been the practice for many years to have the banks submit monthly returns of the principal changes in loan accounts.

This practice was well established in 1945 when C. F. Elderkin took over the post of Inspector-General: it had been introduced years before by the first Inspector-General, C. S. Tompkins.

At one time the monthly returns had to show—with names — every loan account which had changed by more than $250,000. Later the limit was raised to $500,000.

All through these years — up to the end of 1957 — the banks' returns had to show (with names) all the loan accounts which changed by a certain amount, whether they were big or small.

But the returns covered only the outstanding loans — not the commitments or total line of credit which the bank had authorized.

Monthly reports on loan authorizations to the Inspector-General started at the beginning of 1958.

When the Bank of Canada wanted to limit the expansion of credit as the boom got under way in 1955, it discovered that the banks had made commitments for long-term loans in large amounts — to an unknown total.

In September, 1955, it persuaded the banks to tell the Bank of Canada what their total forward commitments were on term loans: totals, not individual accounts (FP, Nov. 18, 1955).

Then at the crucial November meetings (which led to agreement on the 15% liquidity ratio and other measures), it presented the banks with the combined total of all their term-loan commitments.

The size of it was new to all of them.

In addition, there were large commitments for short-term accommodation — operating loans.

While such commitments were outstanding, it was impossible for the banks to restrict their total credit.

They did undertake not to extend their commitments any further; but anti-inflationary impact of tighter credit was delayed by the fulfilment of old promises.

Ever since April 1956 the banks have been voluntarily giving the Bank of Canada reports on their total commitments in general business loans with authorized credits of $100,000 or more — but without names or details of individual accounts.

At the end of 1957, the Inspector-General of Banks entered the picture.

Realizing the importance of information about future commitments, both for the direction of monetary policy and in the assessment of a bank's true financial standing, he required from the beginning of 1958 a monthly return of all the credit-authorizations above a certain amount.

The limits were fixed in relation to the size of each bank's operations.

The Big Three reported only on accounts having a line of authorized credit in excess of $5 million.

Three others covered only authorizations over $3 million; and the remaining three covered them down to $1 million.

Unlike the Bank of Canada, the Inspector-General required the accounts to be identified by name.

This was important for the assessment of the bank's true position, as formerly; but it also had two other advantages which Ottawa considered important for the public good:

1. It is the only possible way of ensuring a uniform classification of bank loans by industries.

With the best will in the world, a big borrower, drawing credit from two or three banks, could be classified differently by each of them.

It might be a company which manufactures goods, and also operates a merchandising chain; or one which makes some petroleum products and some chemicals.

One bank could classify it as a manufacturer, and another as a merchandiser; or one under petroleum products and the other under chemicals.

2. Accurate (at least uniform) classification of loans is important in settling both economic and monetary policy.

When uniform classification is assured, the Bank of Canada can establish the seasonal patterns of different industries and activities.

Thus, it can quickly detect any exceptional upsurge or decline. And the essence of successful monetary policy is to be one step ahead of the game.

The men who determine monetary policy also need to be protected against false clues.

Seeing an upsurge in loans in a particular industry, they might take it for the beginning of a pick-up in demand for that industry's products.

But in reality it may just have been one big firm getting temporary funds for some capital expansion. In which case their conclusions about the direction of monetary policy would be quite different.

Who pries into your business affairs?

If we are going to have government inspection of banks at all, the man responsible (the Inspector-General) must know all about each bank's loans — outstanding and authorized.

Obviously he cannot do his job otherwise.

If we are going to rely on the Bank of Canada's monetary policy to check inflation in boom times and stimulate activity in slack times, the Bank must have the clearest possible picture of business trends.

Otherwise it cannot keep ahead of events, but will always be trying to shut the stable door after the horse has escaped.

But what about the business with a substantial line of credit from the bank?

Must it feel that all its affairs are exposed to the view of every Tom, Dick and Harry in Ottawa?

Is the essential "confidential relationship" between a bank and its customers liable to be violated?

The answer depends on the way you understand the unique authority and responsibility of the Inspector-General of Banks.

Under the Bank Act (Section 67), the Inspector-General and his staff are forbidden to disclose any information about the affairs of a bank to anyone — with these exceptions:

—The Minister of Finance.

—The Deputy Minister of Finance.

—The Governor of the Bank of Canada.

—A representative of the governor authorized by him in writing.

(But no representatives of the Finance Minister or his deputy qualify.)

The Act **permits** disclosure to these people. It does not **command** it.

Lawyers might work up a highly-tangled argument about whether a Minister of Finance can demand secret information about bank accounts from the Inspector-General.

The prevailing opinion is that probably he could, because the Inspector-General is part of his department; and anyway he has power in his own right (by Section 117) to demand any information he wants from a bank.

But, in practice, information about individual accounts is never given to the Minister nor to his deputy.

The governor of the Bank of Canada is in a rather different position; though his interest in individual businesses is still strictly limited and specialized.

The sort of enquiry which he may make of the Inspector-General goes like this:

"I see there is an extraordinary jump in outstanding loans to the furniture industry. This is the time of the year when their loans generally decline. Can you tell me why they are up so much?"

Mr. Elderkin, faced with such a poser, may have to go back to the bank which made the unusual loan, and ask about it.

He may be told that X and Co. Ltd. needs temporary funds for a capital expenditure, or that it anticipates a great upsurge in business and plans to increase its stocks.

For Governor Coyne, and the expert staff of analysts at the Bank of Canada, this information may be invaluable.

If X and Co. needs funds for a few months to finance an expansion, they can put the matter out of their minds. But if the company is anticipating a big revival in consumer demand, that is an important piece of evidence to fit into the puzzle with all the other evidence which must be considered in trying to keep monetary policy ahead of developments.

X and Co. will never know that its particular transaction was so earnestly examined.

But it will benefit, along with the rest of us, if the Bank of Canada's monetary manipulations match the realities of the situation better because it knew what was really happening.

Inspector-General Of Canada's Banks: Meet Man and Job

Who is he?

C. S. Tompkins, a former inspector with the **Royal Bank,** was appointed first Inspector-General in 1924. He held the office till 1945, and died only last year.

His successor, the present Inspector-General, is Clayton F. Elderkin, who started practice as a chartered accountant in Quebec in 1925. A former president of both the Quebec and the Canadian Institute of Chartered Accountants, he conducted several banks' audits before appointment to his present job.

ELDERKIN

What does he do?

Appointed by the Governor-in-Council to hold office during good behavior, the Inspector-General acts in many ways as an official responsible to the Minister of Finance.

But he also has clear responsibilities and powers in his own right, conferred by Parliament in the Bank Act. They include the power to:

- **Make whatever examination** or enquiry into the affairs or business of a bank which he thinks fit.
- **Take charge** on the premises of any or all of the assets of a bank.
- **Go himself** or send one of his staff to examine any books, accounts, cash, securities, documents or vouchers, or any security held by a bank.
- **Demand from directors** or officers of a bank any information or explanation he wants.
- **Hold a formal enquiry** as a Commissioner under the Inquiries Act and take evidence upon oath.

He is obliged to report, at least annually, to the Minister of Finance on each bank, stating:

- **Whether** it is in a sound financial condition.
- **Whether** it has observed the provisions of the Bank Act referring to the safety of its creditors and shareholders.
- **Whether** its monthly returns on cash reserves have been correct.
- **Whether** its "inner" or contingency reserves are in excess of "reasonable requirements," as prescribed by the Minister.

Why is he there?

Government inspection of banks was considered by Parliament when it revised the Bank Act in 1923. But it was opposed by W. S. Fielding, then Finance Minister.

The subject came up mainly because of the 1921 merger of the **Merchants Bank** with the **Bank of Montreal.**

The Merchants Bank was a solid, 47-year-old institution, with 400 branches, paying a dividend of 12%.

But the directors were not informed of big loans which could not be collected. One account grew from $579,000 to $4,500,000 without the directors' authorization and another from $228,000 to $1,300,000.

The 1923 Act strengthened audit provisions and other safeguards.

Within a couple of months of these revisions, the **Home Bank of Canada** failed; soon after the **Banque Nationale** was merged with the **Banque d'Hochelaga;** and several other mergers took place.

In the case of the Home Bank, the largest losses were on loans made to directors or to concerns in which directors had an interest.

In the case of the Banque Nationale, failure was chiefly due to losses on one account — a Montmagny farm implement plant which the bank had financed not wisely but too well.

These cases, causing public distrust, made the government change its mind about inspection. Provisions very like the present ones were included in the 1924 version of the Bank Act.

They were along lines proposed by Sir William Stavert, Montreal financier, former bank official and liquidator of several banks.

Spokesman for the Canadian Bankers' Association, C. E. Neill, said the banks saw no objection to government inspection "as long as it is efficient."

Who pays for the inspection?

The whole cost of the Inspector-General's office is recovered from the banks, each year in proportion to their assets.

His staff — all clerical — are not under the Civil Service Commission, though the recent Heeney Report on the civil service says they should be.

Bank Installs TV Circuit To Speed Check on Ledger

Canadian banking is stepping into the electronic age.

Toronto-Dominion Bank put into operation at mid-week a closed circuit industrial television system in its current accounts department at the bank's head office branch in Toronto.

This is the first installation of its kind in a Canadian bank. Another bank is expected to install a similar system shortly.

The TV will enable a teller on the main banking floor to view a ledger sheet kept on another floor in the bookkeeping department.

Bigger and more complicated installations may be in store:

A central bookkeeping department could be developed with the aid of the television monitor for several branches within several miles of each other.

Under such conditions — as now with the pilot system — the customer presents a cheque drawn on a certain account, the teller calls the bookkeeping department and requests that the ledger sheet be put on the screen.

The same procedure could be followed to validate the signature on a cheque.

Bankers expect that this system of "central posting" will be in widespread use in Canadian banks.

Similar systems have been in use in the U. S. and Europe for some time.

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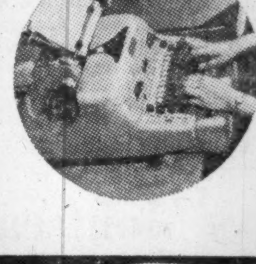

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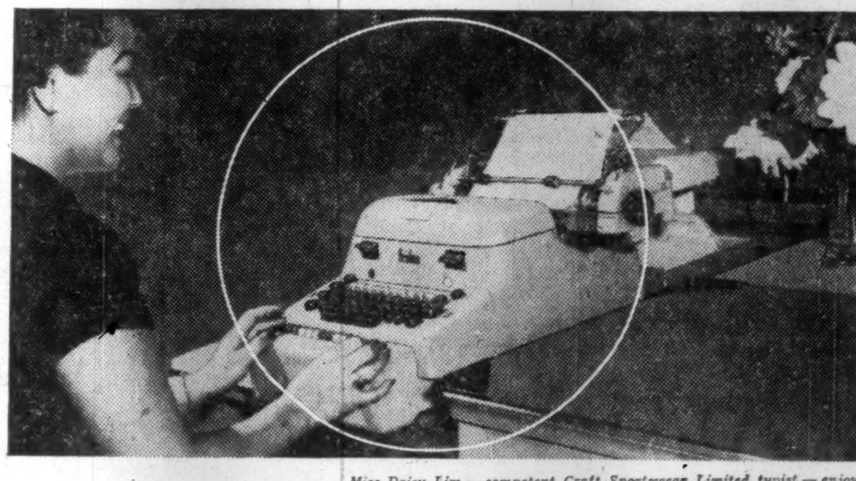

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Craft Sportswear Limited, for example, found this out for themselves. In Mr. Freeman's words:

"Because our Friden Model B Computyper is fast, easy to operate and 100% accurate, it saves us a great deal of time and money. We use it for both invoicing and payroll processing. It enables us to invoice the same day we ship because we don't have to check invoices for accuracy—they're always correct with the Computyper. Five hours a week is all our payroll clerk needs now to turn out pay for 140 employees. There is little doubt that this machine will completely pay for itself in another year."

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How Much Recovery?

The Outlook

(CONTINUED FROM P. 1)

profits were up 34%, **General Motors** up 25% and **Container Corp.** 21% ahead.

In Canada, the trend toward over-all lower profits in business apparently came to a halt in the third quarter. But signs of a fourth quarter pick-up comparable to that in the U. S. are not so widespread.

For example, **Bell Telephone's** fourth quarter net was up 20%, compared with a 4% year-to-year gain in the first nine months. **Imperial Oil's** net shows a swing-around in the last months of 1958: In the last quarter up 30% over a year earlier after being down 47% in the first nine months.

But there are still lots of examples of companies reporting declines. At the same time, in most of these companies profits aren't falling as quickly as they were earlier. **Sherritt Gordon's** net in the first nine months was off almost 45% but in the last quarter the year-to-year decline was down to 14%. In **British American Oil** the first half net was down 51%; in the last half, down 26%.

When production does start to pick up in Canada, the comeback in net profits will begin in earnest. But until the uptrend becomes more widespread and the gains significant throughout different sectors of industry, there won't be much urge to spend heavily on new expansion.

* * *

About this job-generating force which paced the 1955-57 boom, A. C. Ashforth, president of **Toronto-Dominion Bank** and the Canadian Chamber of Commerce, predicts:

"Capital investment by business for the second year in a row will not be an expansionary force. The grand total of capital outlays including those of governments will be down somewhat from last year's level."

Mr. Ashforth expects 1959 will be a comparatively buoyant year for Canada's exports and foresees increased strength for the economy through bigger business investment in inventories.

But not every company is going to recover in step. He predicts that this year's housing starts may be about 140,000, down from last year's record of 160,000-plus. If realized, this could cut into the expectations of construction men and appliance makers.

Another example of the somewhat cautious note being sounded in some parts of the business community comes from the **Bank of Montreal** in a business review released at mid-week:

"A revival of interest in new automobiles and buoyant retail sales suggest that consumer demand has strengthened and business inventory change has likely become a more positive influence.

"In both Canada and the U. S. these indications augur well for continued moderate increases in output, employment and income in the months ahead."

* * *

With export demand only so-so, the domestic market and the consumer become increasingly important in determining the climate for 1959 business.

Canadian consumers spent about $20 billion last year and the total will likely be bigger in 1959. Spendable income went up at an even faster rate but a larger-than-usual portion went into savings.

Consumers generally are in a better position to make purchases. And they are showing some willingness to do so on the smaller items anyway. The indication: Accounts receivable with small loan companies and on department store books reached a 1958 peak in November, according to latest figures.

But it may take a pick-up in employment to create the atmosphere for easier spending habits with the big-ticket items such as cars.

Canadian Automobile Chamber of Commerce figures show new cars sold in 1958 were down 1.7% from the year before—and the number of these financed was down even further, 14.8%.

By and large the biggest declines in car buying and financing took place in areas where manufacturing employment was shakiest.

R. A. BROWN:

Says Montreal Pipeline Is Now Inevitable

Time has now validated all the arguments in favor of a $400 million big-inch oil pipeline to Montreal, R. A. Brown, president of **Home Oil Co.**, Calgary, told the Pipeline Contractors Association of Canada at its Bermuda convention this week.

The international companies have held out the recapture of the U. S. Puget Sound markets as a solution to the oil surplus in Canada.

Instead of growing, that market had been drastically reduced. The same story is true of other suggested alternatives, Mr. Brown said.

"A bitter winter made the suggestion (of an expanded Ontario market) look good," he said. "From a low point of 266,000 bbl. a day last May, Alberta nominations rose to 413,000 b/d in February.

"But with spring around the corner, March nominations will drop to 351,000 bbl. and the indicated nominations for May are 295,000 b/d.

"This is where we all came in just a year ago with 30% of our producability being utilized," Mr. Brown said.

These developments make the construction of the Montreal line inevitable, Mr. Brown added.

It's a logical Canadian solution to a Canadian problem in the grand Canadian tradition.

And it's an essentially practical proposal which would cut the cost of crude oil to the Ontario refineries in the process of giving Montreal an assured supply of competitively priced oil.

Commenting on the Borden Commission's first report, Mr. Brown said the extreme fears expressed of the powers suggested for a National Energy Board are without justification in Canadian history.

They reflect experience with U. S. regulatory bodies, foreign sheiks and dictators and other agencies.

They compare with similar forebodings expressed when the Oil and Gas Conservation Board of Alberta was established.

"I submit that the Board has done a most creditable job and has conducted its affairs honestly, intelligently and without at any time exercising authority beyond that which has been in the common interest," he said.

However, Mr. Brown said, the extreme criticism of the Borden Commission, coupled with some of its recommendations concerning pipeline earnings, had shaken public confidence.

He urged the government to clear the air with a statement of policy immediately.

Otherwise he felt that the irresponsible criticism of the commission might impair the effectiveness of its next report.

ANNOUNCEMENT

WALLACE H. COLLIE has been appointed an assistant general manager of the Bank of Montreal at the head office in Montreal, where for the past four years he has been superintendent of the business development department, whose operations he will continue to direct.

Mr. Collie has served in important managerial posts in Montreal, Toronto and Edmonton, and previous to his service with the RCAF during the war he held appointments with the bank in both Paris and London.

Peace River Plant For 'Rich' Uranium?

(CONTINUED FROM P. 1)

mands of a moderate-sized uranium diffusion plant at over one million hp.

The electric power would be used for the endless pumping of gases back and forth in the highly complex processing steps.

The product of such a plant — enriched uranium — could be used in the small nuclear plants which the federal government proposes to build at various points in the Canadian north as part of its program to open up this vast hinterland, Peace River Power Development officials say.

It might also be exported to customers in other parts of the world.

The Peace River area, in the light of the proposed power development there, is one of probably only two logical sites for such a plant.

The other could be on the Hamilton River in Labrador where there is a potential power development of four million hp.

"You would simply be converting electrical energy into nuclear energy," the officials explain.

Since transportation is not an economical consideration in moving uranium, then, in a sense, Peace hydro power would be available in any part of Canada.

Such a plant would provide an assured use for Canadian uranium oxide if and when contracts for export end, they claim.

But top uranium officials in Eastern Canada see the picture in a considerably different light.

While agreeing that such a plant would probably boost the interim market for Canadian uranium they doubt very much that Ottawa would want to invest $300 million to $1 billion to build it.

Here is their argument:

- **The U. S. is already making enriched uranium** from substantial existing plant capacity. It is pushing controlled sales of it to other countries in the Free World, on attractive credit terms.
- **It is highly doubtful** that such a diffusion plant would be an economical operation in, say, five to 10 years, since it's virtually certain that by then the swing will be away from enriched uranium to use of plutonium in the plutonium cycle process.
- **A diffusion plant is a tremendously costly operation,** involving complex chemical, electrical and physical reactions.

Most of the technical information is highly classified.

A fairly large group of highly skilled engineers would have to be assembled and maintained in the vicinity of the remote Peace River plant.

Electrohome Offers Stock To Shareholders

Some $300,000 in new equity capital will be raised by **Dominion Electrohome Industries Ltd.** through an offering of stock.

Shareholders will be offered one new npv common share at $25 for each 10 shares held April 1. Recent price: $37. Rights expire April 23.

Some 12,000 shares are expected to be involved in the offering. Exact number will depend in part on the number of common shares purchase warrants exercised by April 1. Shares not taken up will be bought by **Dominion Securities Corp.**

At April 30, 1958, 105,740 shares were outstanding.

Following the stock issue, a three-for-one split is contemplated.

Proceeds of the financing will be applied to working capital, President Carl A. Pollock said.

Working capital stood at $2,525,000 at the end of 1958, an increase of $1,190,000 over a year earlier.

Inventories rose by almost the same amount (**FP**, Jan. 31).

Sales climbed to $15,421,000 in 1958, up $884,000 from 1957. Net profit was $5.10 a share, up 73% from 1957's $3.07.

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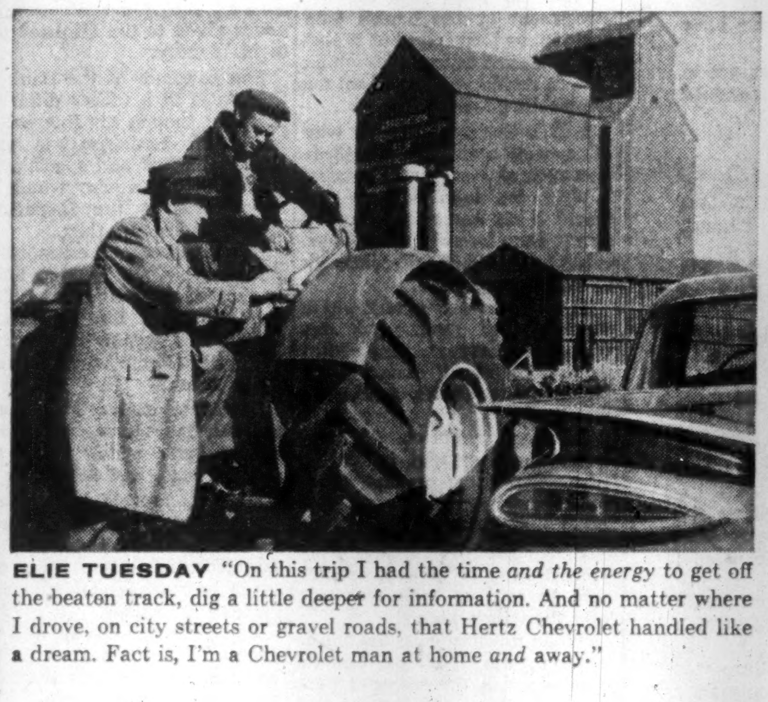

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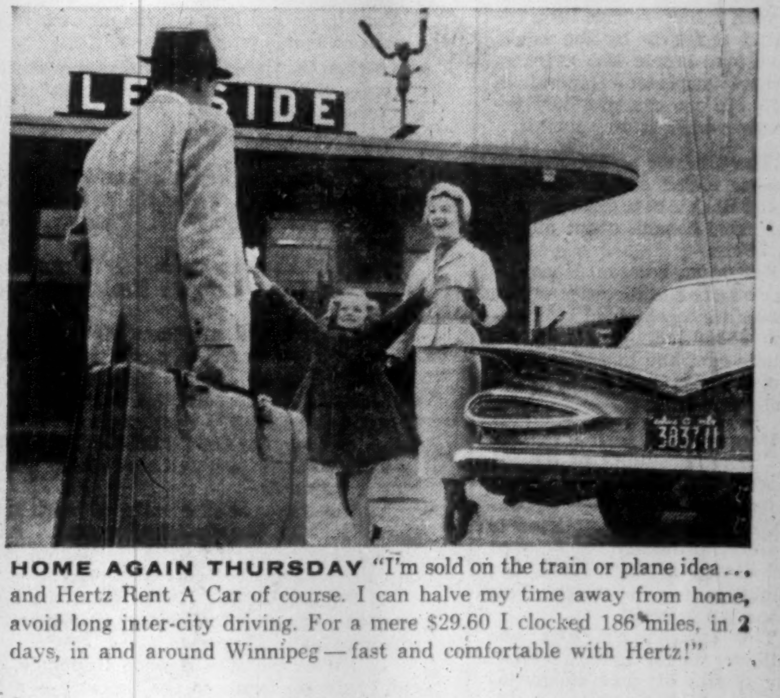

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ANNOUNCEMENT

R. FRED RICHARDSON, B.A., F.S.A.

Mr. W. H. C. Schwartz, President of The Maritime Life Assurance Company, announces the appointment of Mr. R. Fred Richardson as Superintendent of Agencies. Mr. Richardson, a graduate of Queen's University and a Fellow of the Society of Actuaries, will have the responsibility of directing the sales expansion programme of The Maritime Life. Mr. Richardson will continue as Secretary of the Company.

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Provinces' Per Capita Debt

Direct & Indirect†

	March 31, 1958 $	March 31, 1952 $	Change %
British Columbia	293.90	185.02	+58.8
Alberta	60.39	106.93	—43.5
Saskatchewan	81.05	138.86	—41.6
Manitoba	73.45*	61.01	+20.4
Ontario	369.70	218.11	+69.5
Quebec	183.12	150.80	+21.4
New Brunswick	225.47	252.16	—10.6
Nova Scotia	250.54*	226.98	+10.4
Prince Edward Island	227.34*	177.46	+28.1
Newfoundland	161.41	35.37	+356.3

*1957.

†Gross debenture debt and other obligations outstanding (less sinking funds and net self-supporting public utility debt) plus contingent liabilities and guarantees, divided by DBS estimates of population.

British Columbia Really Debt-Free?

Some investment analysts can't agree . . .

By VINCENT EGAN

There won't be many professional investment men dancing around the funeral pyre marking the end of British Columbia's direct debt.

Social Credit Premier W. A. C. Bennett plans to proclaim British Columbia free of direct debt when final sinking fund payment is made before March 31, 1960, and then to stage a ceremonial "mortgage burning" (**FP**, Feb. 14).

The British Columbia method of becoming free of direct debt is disarmingly simple:

Since 1952, when the Social Credit government took office, the province has incurred no direct debt—that is, bond issues in its own name.

But borrowing by various government agencies has risen sharply. This is indirect debt of British Columbia, which the province guarantees.

Other provinces, too, incur indirect debt by guaranteeing the bonds of their agencies, notably hydro-electric power commissions — which generate the funds needed to pay off the interest and principal on bonds.

British Columbia, however, guarantees borrowings not only by its power commission but also by such organizations as the **Pacific Great Eastern Railway,** which the government subsidizes; the **Toll Highways & Bridges Authority,** which will not be self-supporting for some time; and school districts.

Here's the historical pattern of British Columbia's public debt structure, in the period from March 31, 1952, to March 31, 1958.

Data are from "Canadian Government and Municipal Financial Statistics," published by **Wood, Gundy & Co.:**

- **Net public debt** (gross debenture debt and other obligations outstanding, less sinking funds and net self-supporting public utility debt) has decreased from $191,054,490 or $159.48 per capita in 1952, to $55,587,958 or $36 per capita in 1958.
- **Contingent liabilities** and guarantees have risen from $30,593,540 (including $18 million Power Commission obligations) to $398,197,207 (including $154.3 million Power Commission debt). Per capita, rise is from $25.54 to $257.90.

Combining the two figures shows that total direct and indirect debt per capita has climbed 58.8% from $185.02 in 1952, to $293.90 in 1958.

"No true analyst would look at the direct government debt alone," commented an insurance officer, "but at the contingent and over-all debt as well."

An insurance company treasurer: "This doesn't fool anyone."

An investment dealer: "It adds to the general confusion."

What Dominion Bridge Reorganization Means

By VINCE LUNNY

MONTREAL (Staff) — Internal management reorganization is expected to increase efficiency and lower costs for **Dominion Bridge Co.**

It should result eventually in a better ratio of profits to sales.

"That is the aim," according to Managing Director A. H. Cowie.

Reduced costs will be important to Dominion Bridge as company does not expect any appreciable increase in new order bookings this year.

But President H. G. Welsford told the annual meeting there is "still a fairly large volume of uncompleted contracts on our books and this will have some effect on our 1959 results."

Bookings in 1958 were the lowest since 1954.

Company, now in the midst of a $25 million expansion program, has set up a new method of operational control involving four regions—Eastern, Ontario, Central and Western — each controlled by a vice-president in head office at Lachine, Que.

The regions replace Eastern, Western, Ontario and Pacific divisions which were controlled by resident vice-presidents.

Company also has formed three country-wide products divisions — warehouse, boiler and mechanical — each headed by a general manager.

Also set up: an engineering services group which — among other duties — "will check designs and specifications of all unusual structures," a marketing services group and a manufacturing services group.

Reorganization involves a number of senior appointments. They are effective March 1.

Eastern region, comprising Dominion Bridge's largest plant (Lachine) and smaller plants at Longue Pointe, Montreal, and Amherst, N.S., will be under Vice-President P. E. Savage.

Ontario region, with two large plants at Toronto, one at Sault Ste. Marie and one at Ottawa, will be under Vice-President Mackenzie McMurray.

Central region consists of the Bridge plant at Winnipeg, two subsidiaries, **Manitoba Bridge & Engineering Works Ltd.** and **Manitoba Rolling Mill Co.,** and the new plant at Regina, expected to be in operation by year's end. This region will be under Vice-President E. A. Ford.

Western region consists of company's second largest plant (Burnaby, B.C.) a smaller plant in Vancouver and plants at Edmonton and Calgary. Regional Vice-President will be R. J. A. Fricker.

Robert S. Eadie, formerly vice-president and manager of the eastern division has been appointed vice-president and director of engineering.

His newly created engineering services group will serve as a clearing house for engineering knowledge and information available to executive management, branches and other departments.

The group will undertake all engineering research activities, develop new methods of design and determine general standards for all branch engineering offices.

George H. Midgley, general sales manager of Dominion Bridge since 1954, has been named vice-president and manager of the new marketing services group which incorporates sales development program, will measure market performance and prepare surveys and forecasts.

Manager of the manufacturing services group will be announced later.

This group will co-ordinate industrial engineering activities, cost reduction programs and such projects as new facilities and improved methods.

The warehouse, boiler and mechanical divisions will operate as separate "businesses." They are expected to gain for Dominion Bridge "a larger share of the market for these products."

"In the past Dominion Bridge has been at a competitive disadvantage selling some of the products now included in the new divisions," said a spokesman.

"For instance the selling of boilers is the sole business of most of our competitors in this field."

Under the new setup, the selling, design and manufacture of all types of DB boilers and heat exchangers across Canada will become the responsibility of the boiler division.

Cranes and hydraulic equipment will come under the mechanical division.

Operations of company's warehouse steel departments will be administered and co-ordinated by a general manager at Lachine.

Reorganization is the result of a three-year study by President Welsford, Managing Director Cowie and other members of head office staff.

In 1956 company launched a $20 million expansion program, since boosted to $25 million and now 50% complete.

Undertaken without outside financing, the program, which will boost capacity 40%, includes development of the Mount Dennis property in Toronto.

The branch at Regina will bring total Dominion Bridge plants to 15.

CPR Orders 300 Box Cars

MONTREAL (Staff) — **Eastern Car Co., a Dosco** subsidiary, has received an order from **Canadian Pacific Railway** for 300 box cars.

Value of the order: $2.4 million.

The cars, for general freight service in Canada, will be built at Trenton, N.S. Number of men employed in Eastern Car's plant there will be increased to 800 from present 700.

Work will begin as soon as production of 435 hopper cars for **Canadian National Railways** is completed at the end of March.

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PICK-UP IN ELECTRONICS

Aeroquip (Canada) Ltd. business is definitely on the upswing and profits in fiscal 1959 should exceed last year by a generous margin, Peter F. Hurst, president of **Aeroquip Corp.,** Jackson, Mich., states in the U.S. firm's annual report for the year ended Sept. 30, 1958. Aeroquip Corp. sales and earnings picked up sharply in the quarter ended Dec. 31, 1958, with net profit the highest for any quarter in the company's history.

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Major U.K. Engine Maker Starts Canadian Company

MONTREAL (Staff)—One of Britain's leading makers of aircraft and marine engines has established a Canadian company.

The newcomer, **D. Napier & Son (Canada) Ltd.,** has hopes of major sales both to the civil and military markets.

Situated in Montreal, company will handle sales and servicing. Canadian production plans will depend on extent of orders.

Company's efforts will be directed along these lines:

Aviation: Napier Eland turboprop engines power the new **Canadair** 540 airliner. Company will work closely with the planemaker, though servicing and overhaul will be carried out by **Canadian Pratt & Whitney.**

Elands are also fitted to the new **Fairey** Rotodyne vertical take-off aircraft going into service with **Okanagan Helicopters.**

Napier has considerable hope for its helicopter engine, the Gazelle. Already in extensive service in Britain, Napier hopes to fit it to a number of U.S. helicopter designs for the Canadian market.

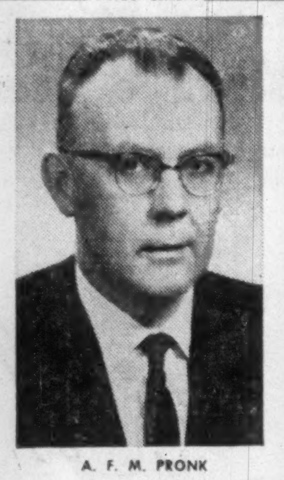
Company will also handle the Napier Spraymat aircraft deicing system.

Marine: Napier has a number of very high-speed diesel engines in its Deltic series.

A pair of them already power RCMP's patrol vessel, Fort Steele, based at Halifax. Company hopes for further sales to both government and private users.

Napier already has a U.S. subsidiary.

ANNOUNCEMENT



A. F. M. PRONK

The Commercial Life Assurance Company of Canada announces the appointment of Mr. A. F. M. Pronk to the position of Managing Director, succeeding Mr. E. B. H. Shaver, who retired February 3, 1959.

Mr. Shaver has been connected with The Commercial Life since 1919 and will continue to serve the Company as a member of the Board of Directors.

Mr. Pronk has been associated with The Commercial Life for the past three years as a Director.

Bank Staff Changes

Toronto-Dominion:

L. E. MARTIN, accountant, Eglinton & Dufferin, Toronto, to be assistant manager at that office.

W. L. McSWEENY, accountant, King & Simcoe, Oshawa, Ont., to be assistant manager at that office.

J. J. WOODS, credit officer, Bleury & St. Catherine, Montreal, to be credit officer, St. Lawrence & Ontario, Montreal.

F. A. HEALY, first assistant accountant, Bleury & St. Catherine, Montreal, to be a credit officer at that office.

M. L. McINTOSH, accountant, 109th St. & 83rd Ave., Edmonton, to be accountant, Jasper Ave. & 103rd St., Edmonton.

E. R. DOW, accountant, LaSalle, Ont., to be accountant, 75 King St. W., Chatham, Ont.

A. M. HOLMES, accountant, Avenue Rd. & Fairlawn, Toronto, to be accountant, Eglinton & Dufferin, Toronto.

O. RISEBROUGH, accountant, Dalhousie & Market, Brantford, Ont., to be accountant, Barrie, Ont.

H. P. VERBURG, accountant, Queen & Ontario Sts., Niagara Falls, to be accountant, Dalhousie & Market, Brantford.

N. C. BIONDA, accountant, 872 Victoria Ave., Niagara Falls, Ont., to be accountant, Queen & Ontario, Niagara Falls.

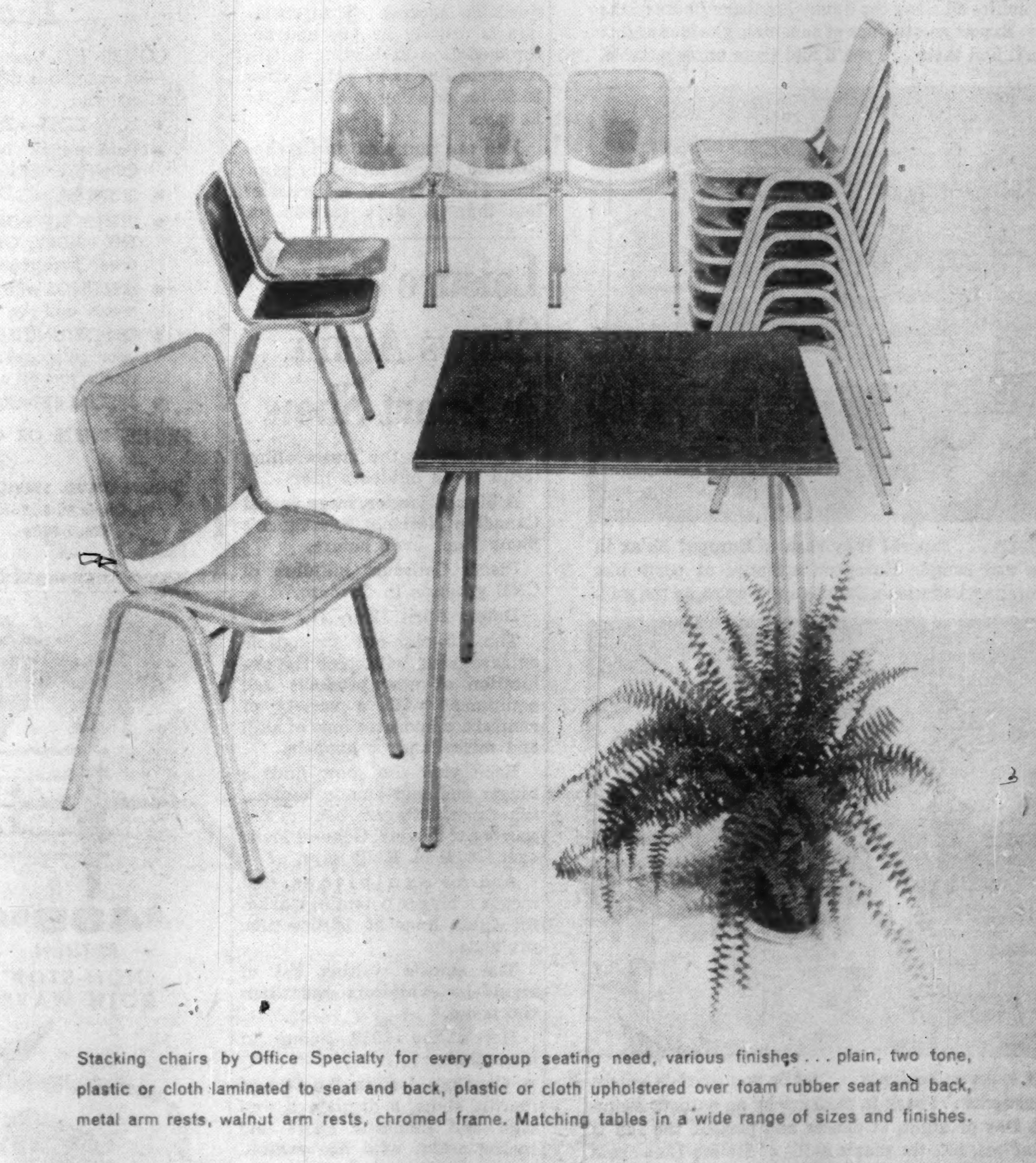
E. R. PROTZ, accountant, Kingsway & Joyce, Vancouver, to be accountant, Kerrisdale branch, Vancouver.

G. F. BROWN, accountant, Kerrisdale branch, Vancouver, to be accountant, Georgia & Richards, Vancouver.

N. THOMPSON, accountant, Port Colborne, Ont., to be accountant, Waterloo, Ont.

A. P. A. PAUTLER, accountant, Waterloo, Ont., to be accountant, King & Simcoe, Oshawa, Ont.

R. S. JONES, accountant, Queen & Jameson, Toronto, to be accountant, Avenue Rd. & Davenport, Toronto.



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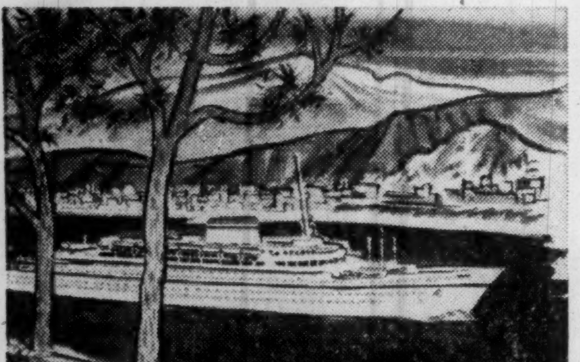

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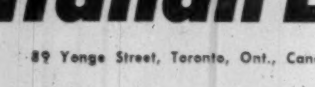

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POST TRAVEL BUREAU

Where to go - how to go - where to stay

Go Where You Will In Czechoslovakia

It's been made easy for you to see this lovely old land behind the Iron Curtain . . .

By BEATRICE RIDDELL

Next week Canadian attention will be focused on Czechoslovakia when the Belleville (Ont.) McFarlands represent Canada in the World Hockey Championships there. Games will be played from March 4 to 16 in Prague and Bratislava.

But while sport is one of the big attractions, Czechoslovakia is beginning to emerge as a popular holiday destination — as it was in pre-war days.

Like other Iron Curtain lands, Czechoslovakia is rolling out the "red carpet" for tourists.

And, situated in the heart of Europe, this country has much to offer in the way of history, beauty, folklore, music, art and architecture.

Like Russia and Poland, Czechoslovakia has an efficient government travel organization — in this case called **Cedok** — which co-operates with western travel agents.

Organized tours are still the most popular method of travel, but according to Canadian agents canvassed by **FP**, independent travel in Czechoslovakia is easy.

You can go where you like, do what you want.

To get a visa (your travel agent will help) you must buy vouchers to guarantee a minimum daily expenditure of $5.30. Service charge for the visa is $13.

In your travels through Czechoslovakia, Cedok will help you arrange tours, make reservations and help with any problems that crop up along the way.

There are good hotels in major cities and spas. Rates are low. Highest price at the best hotels is about $13 a day, including three meals.

Cedok has gone into western-style package tours with considerable success. Transportation is usually by bus and accommodation at leading hotels. All-inclusive rates range from $4.50 for one day to $107.20 for 11 days.

You can rent a car in Czechoslovakia. Rates including gasoline: $12 a day for a period of less than 11 days ($10.80 for more than 11 days) plus about 10c a mile if you travel more than 100 miles a day.

There is much to see in Czechoslovakia. A land surrounded by mountains there are lovely rolling plains criss-crossed by many rivers; most famous are Elbe, Danube, Vltava, Oder, Opava.

The underground grottos of Macocho in Moravia and Demanovske Jeskyne in Slovakia's Low Tatra mountains are among Europe's most celebrated and beautiful natural oddities.

Prague, the 1,000-year-old capital is a treasure-chest of Roman, Gothic, Renaissance, Baroque and modern architecture.

Through the city winds the Vltava river, spanned by ancient bridges — one of them dating from the 14th century.

Throughout the country there are about 600 ancient castles and mansions — all carefully maintained by the government. Many of the finest ones are now used as museums, picture galleries, libraries and archives.

The sportsman finds much to do in Czechoslovakia. There's winter skiing, summer hiking and climbing in the mountains.

In larger centres, especially Prague, there is an excellent selection of music, opera and ballet. Concert season in the capital culminates each spring with the International Prague Music Festival. World famous artists and orchestras perform in concert halls, cathedrals and lovely castle gardens.

During the summer, major spas offer excellent cultural fare. The July International Film Festival at Carlsbad is a particularly popular event.

Although there is no direct air service from North America, most European airlines offer frequent service to Prague from other continental capitals. Return air fare from Toronto to Prague: $539.80 economy, $707.20 tourist, $937.90 first class.

A typical three-week holiday including visits to Russia, Czechoslovakia and Poland costs about $400 from U.K.

Saskatchewan 'Unexplored' By Tourists

Northern Saskatchewan has barely scratched the surface of its potential tourist industry.

Tourism has expanded in the past decade, but this has been largely due to Saskatchewan residents holidaying in the province's northern lakeland.

Non-resident visitor counts have not been increasing as they should.

These figures from the Prince Albert Chamber of Commerce show:

Tot. nat. pk. reg.	1958—134,105	1953—117,899
U. S. visitors	4,208	4,473
Hunting lic. sales	'57-58—108,000	'52-53— 90,000
Tot. angling lic. sales	'57-58—107,000	'52-53— 68,000
Non-residents ...	7,144	6,615

Chamber officials say there is great potential right on Prince Albert's doorstep. Within one day's drive, they claim there are approximately three million people.

According to tourist surveys, a resident game bird hunter spends about $96.63 per season, while a fisherman in the La Ronge area spends about $3.50 per lb. of fish caught.

Family vacation expenditures vary from about $15 to $25 a day.

Travel Briefs

Swissair and **Sports Credit Card Corp.** (New York) offer credit card privileges for skiing in Europe. You can charge transportation, accommodation and meals, equipment purchases or rentals, lift tickets and ski lessons with this card.

* * *

A "skierized" car from **Tilden Rent-A-Car Co.** of Montreal has plug-in block heater, ski rack, heater and defroster, snow tires and chains. Close to the Laurentians' famed ski runs, Tilden's Montreal fleet has 250 cars. Cost: $45 per week, plus 10c a mile.

* * *

Furness Lines will offer 17 "Live Aboard" cruises from New York to Bermuda between June 6 and Sept. 26. The seven-day holidays include two and a half days in Bermuda, during which time passengers live aboard cruise ship, Queen of Bermuda.

* * *

Starting May 1, **Icelandic Airlines** will offer weekly trans-Atlantic service to Luxembourg via Reykjavik and Glasglow. Icelandic flights also serve Oslo, Bergen, Stavanger, Copenhagen, Gothenburg, Hamburg and London.

* * *

Travel Plan Tours Ltd., Toronto and **Air France** announce a 30-day tour to Russia, departing New York June 29. Larry Henderson, well-known Canadian newscaster and commentator will be the conductor. Tour will visit Moscow, Leningrad, Kiev, Odessa, Yalta, Sochi, Gagra, Tbilisi, Mtskheta and Karkov. All-inclusive cost $1,254, plus round-trip air fare from home town to Moscow.

Leisure Trend Shows Again In Sport Show

Signpost to the steamrolling trend to an outdoors life:

A bigger, jazzier, more varied Canadian National Sportsmen's Show than ever before.

Place: Coliseum building of CNE grounds in Toronto.

Dates: April 12 to 21.

The 10-year-old springtime extravaganza will spice the exhibition of new products and equipment with a variety of contests, demonstrations of skill and miscellaneous hoop-la.

Each year the show finds a bigger audience among hunters, fishermen, cottagers, boaters and sports car drivers, General Manager Loyal M. Kelly says.

And for exhibitors, that means a bigger potential market for their lines of leisure-time products.

The show's waiting list of would-be exhibitors underlines the trend.

Here's the 1959 lineup of attractions:

- Canada's largest boat and marine show, a display of foreign and domestic sport and racing autos, wild life exhibit, travel, cottage and three dog shows.
- Several contests, including bowling and dart competitions, trick ice skating, miniature boat racing, fly-casting.
- Twice-daily stage and water revue.
- Selection of "Outdoors Girl of Canada."

Last year, the show netted over $100,000 net profit in eight days of operation.

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SASKATCHEWAN MINES

From Our Own Correspondent

SASKATOON — Value of Saskatchewan's mineral production in the fiscal year, 1957-58: $172,968,740. That's an increase of $50 million over the figure for the 1956-57 fiscal year. Clay, clay products and salt were the notable items to show increases.

EUROPE BOUND?
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ON THREE EXCHANGES

Savard Seeking Reinstatement After Suspension

MONTREAL (Staff) — The Montreal-based stock brokerage firm of **Savard & Hart** this week was trying to obtain reinstatement by Canada's three major stock exchanges.

The firm, which has a string of 20 offices ranging from Geneva, Switzerland, to Miami, Florida, has been suspended by the Montreal, Canadian and Toronto stock exchanges and the Ontario and Quebec securities commissions. No precise reasons for the suspensions have been given.

The Securities & Exchange Commission in the U.S. has taken no action against the firm's New York and Miami offices.

J. Ernest Savard, sole owner of Savard & Hart, has been suspended for 60 days by the two Montreal exchanges. They have ordered the cause of suspension to be removed within the 60-day period.

The Ontario Securities Commission and the Investment Dealers' Association of Canada have suspended the firm's investment dealer affiliate as well.

The IDAC's suspension was made under its bylaw No. 8 which deals with discipline, forfeiture and suspension of membership.

The Quebec Securities Commission has not suspended the dealer affiliate.

Actions of the various Canadian authorities coincided with Savard's appearance as a witness for the prosecution in a New York court action brought by the U.S. Securities Commission against Alexander Guterma (FP, Feb. 21) and **F. L. Jacobs Co.**

There, Savard has testified that following conversations with Guterma he negotiated letters of credit totaling $400,000 with three Canadian banks for Chatham Corp., a U.S. company.

According to Savard, the letters of credit were protected by 20,000 shares of **Scranton Corp.** stock (trading at $15 to $16 at the time) as well as a resolution by the board of directors of F. L. Jacobs indemnifying Savard & Hart against any loss.

Scranton Corp. is a partially owned Jacobs subsidiary.

FP understands that $200,000 of the letters of credit were exercised. This resulted in a call upon Savard & Hart for $200,000 by the banks involved.

Savard & Hart received 10,000 shares of Scranton originally put up as protection.

Due to a drop in price of Scranton stock and under the guarantee from Jacobs, Savard & Hart was also able to obtain 100,000 shares of **Guild Films Co. Inc.** as collateral.

The remaining $200,000 letters of credit have not been exercised but could be until May 3, when they lapse, **FP** understands.

At midweek, Scranton Corp. stock was selling at $8-$9 per share. Guild Films was quoted at $2.50-$2.75.

In a statement made following his testimony in New York, Savard said:

"Let me state unequivocably that Savard & Hart is free of any involvement in the affairs of F. L. Jacobs Co., or any of its officers except for two quite ordinary transactions of the type the firm is accustomed to handle in the course of its everyday business.

ercised which resulted in a call for a customer's account . . . the other had to do with letters of credit arranged with Canadian banks . . ."

Stating that these transactions were "legal, ethical and businesslike" Savard said his firm took every reasonable precaution to protect itself.

He said Savard & Hart "is as solvent as ever." In order to reassure the public further, he was "personally replenishing our (Savard & Hart's) treasury by a sum large enough to offset the possible $400,000 loss to the firm, a loss incidentally that is purely conjectural."

Wins Top Award For Research In Pulp, Paper

MONTREAL (Staff) — A native of Nova Scotia and top executive in the **Bowaters** organization has won the gold medal of the U.S. Technical Association of the Pulp and Paper Industry.

He is K. O. Elderkin, president of **Bowaters Engineering and Development Inc.**, a subsidiary of **Bowater Corp. of North America**, Montreal. Elderkin now lives in Athens, Tennessee.

The gold medal is regarded as the industry's highest award.

Elderkin has made major contributions to technical progress in pulp and paper, being especially well known for work in paper mill engineering.

WINTER NAVIGATION

Watch for Wide-Open War If Ship Tangle Unsettled

Quebec City's drive for winter navigation has run up against the Canada-U. K. Freight Conference . . .

MONTREAL (Staff) — In efforts to get more ships and shipping companies into port during winter months (**FP**, Feb. 21), Quebec City almost certainly is going to have to untangle difficulties with the Canada-U.K. Freight Conference.

It's known that the first ocean-going vessel (the Helga Dan) to sail to Quebec City seeking cargo had difficulty getting shipments because of the presence of agreements between shippers and the freight conference.

A variety of statements have concealed the exact nature of the trouble.

It's expected to be the subject of future negotiation among shippers, Quebec City and conference officials.

In any event, a number of shippers who might have had cargo for the Helga Dan felt unable to use the vessel because they had agreements to ship via conference ships.

Canadian British Aluminium, which put aluminum aboard the Helga Dan at Baie Comeau, also has a contract with the conference.

But, it's understood, the conference was unwilling to send vessels to Baie Comeau in February, apparently regarding that month as not being a period of open navigation.

It appears that CBA, under these circumstances, did not feel obligated to ship via conference vessel.

Thus it's now a matter of conjecture in shipping circles whether CBA's experience offers a solution for winter shipments from Quebec City by others.

Of course if the conference becomes willing to send ships to Quebec City in winter the problem disappears.

The conference is an organization designed to offer reliable shipping service, both in terms of arrivals and departures and rates.

Shippers, in return, agree to ship via conference vessels.

It's obviously possible that such agreements could slow development of Baie Comeau and Quebec City as winter ports (although there are non-conference ships and shippers).

But there are very strong — and impatient — interests behind extension of all-year shipping to Baie Comeau and Quebec City.

Observers feel the situation has the elements for a publicity-starred battle — unless a solution is reached by negotiation among parties concerned.

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GROWING YOUNG TOGETHER

On this 50th Anniversary of powered flight in Canada, it is interesting to recall that our two countries have been working together in aviation even longer.

The *Aerial Experiment Association*, which the noted inventor of the telephone, Dr. Alexander Graham Bell, organized in 1907, started operations at Dr. Bell's home in Baddeck, Nova Scotia. It included Canadians and Americans. The "Silver Dart," one of the association's finest achievements, completed more than 200 flights, including the first powered flight in Canada on February 23, 1909.

In the intervening years, aviation has been steadily growing as an industry... becoming more vigorous, opening up greater opportunities, improving the economic life and international strength of both Canada and the United States.

Douglas is proud to have played a part in this mutual growth, in both commercial and military projects. Douglas airliners from the DC-3 to the DC-7 have served Canadians for 25 years, and soon the DC-8 jetliner will join them. RCAF personnel have flown hundreds of Douglas military aircraft and worked side by side with Douglas people in many defense projects.

Douglas congratulates the Royal Canadian Air Force on its 35th Anniversary, the RCAF Association on its 10th Anniversary and all of Canadian aviation on 50 magnificent years of powered flight.

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The sun smiles on honeymooners everywhere, but particularly so at the Elbow Beach in Bermuda.
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ANNOUNCEMENT

H. S. SUTHERLAND

The election of Hugh S. Sutherland as president of B.A.-Shawinigan Limited has been announced. Dr. Sutherland is president of Shawinigan Chemicals Limited, joint owner with The British American Oil Company Limited of B.A.-Shawinigan.

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ANNOUNCEMENT

ELECTED TREASURER

J. H. BURTCH

Mr. Daniel Peterkin, Jr., President of the Morton Salt Company, has announced that James H. Burtch has been elected to the office of Treasurer of the Company.

Mr. Burtch, a native Canadian, has spent much of his life in Canada's salt industry. He has served as Secretary-Treasurer of the Canadian Salt Company until he was transferred to Chicago as Assistant to the President of Morton Salt Company.

Mr. Burtch is also an officer and director of The Canadian Salt Company and of West India Chemicals, Ltd., both affiliates of the Morton Salt Company. In his new position Mr. Burtch succeeds Mr. Garfield King who continues as a Vice President of the Company.

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FLYING BARN ROOF

What's Happening To Custer Plane?

Conflicting reports on progress of new Custer channel-wing plane . . .

By CLIVE BAXTER

Montreal (Staff) — Aviation circles here are taking increasing interest in the fortunes of the new type Custer channel-wing aircraft and the much-publicized plans to build it here.

Twice recently announcements of company plans were sent out to Canadian newspapers through the company's publicized plans to build it here (FP, Nov. 8, 1958).

Both stated that tooling up for production of the aircraft had begun, that delivery of the first plane was expected this summer and that firm orders for the first 100 aircraft had been received from the U. S.

Silver - haired Willard R. Custer who designed the craft has been trying to interest the world in the plane for over 25 years.

Last autumn Custer traveled to Montreal to deliver his sales pitch to the press and other interested parties.

With extensive subcontracting, production was to begin early in 1959, reaching a peak of 500 airframes a year it was declared.

Two thirds of these were to be shipped to the U. S. to be fitted with engines and instruments, the remaining third would be completed in Canada and sold here.

Extremely interesting to Canadian plane makers was the announcement that this production could be handled by 500 employees.

Performance curve charts and technical detail were not then passed out.

Custer told of the day 45 years ago when he took shelter in a barn on a Mid-West U. S. farm. A tornado whisked off the roof.

"I asked myself then and there," he told the group, "just how did the Lord lift a great barn roof right into the sky? I thought about it for years. Then one day I recognized that wind racing along at speed creates a vacuum. I started work on it at once.

"My solution is the first step forward in basic wing design since the Wright brothers invented the airfoil," he said.

Custer's design is a scoop-shaped wing with an engine mounted inside the scoop, its propeller facing backward. When the engine is run up, air is drawn through the scoop.

Various models have been built since the early 1930s.

Custer says the aircraft industry is reactionary. Their retort is to ask three questions:

- **With the lift supplied by the engines,** the plane only needs an actual forward speed of 11 mph to take off. This gives remarkably good short field performance.

But failure of one or both engines during take-off or landing, would, they claim, drop the relative airspeed over the wing to a seemingly unflyable 11 mph.

- **The controls rely largely on actual airspeed** — particularly the ailerons on the wings outside the wash of the propellers.

Custer says all these problems have been licked and that three full-scale models have been flown some 2,000 test hours.

Third question the airmen ask is: "How can he make 500 airframes a year with 500 employees?"

The firm proclaiming these big plans is **Custer Channel Wing (Canada) Ltd.** with president William Spence previously known for his connection with mine development **(Quebec Beryllium** is one).

The Canadian firm is associated with **Custer-Frazer Corp.,** an American company one of whose officers is Joseph W. Frazer, one-time president of Willys - Overland and the Kaiser-Frazer Corp.

The company announcements through its publicity representatives are confusing.

One announcement was that Custer Channel Wing would take over 75% of the facilities of **Noorduyn Norseman Aircraft Ltd.**

The statement said that, with extensive subcontracting, production was to begin early in 1959 reaching a peak of 500 airframes a year.

When Noorduyn was queried about this by **FP**, Austin Latremouille, vice - president and general manager, said:

"We were approached last September by William Spence president of Custer Channel Wing (Canada) Ltd. He said he wanted to take over our facilities to produce the new plane.

"Of course we were delighted at the prospect of any new business. The next thing we knew was the announcement to the press linking our name with theirs.

"We are doing nothing about producing the plane and no tooling up has begun here."

Work has begun at Leader Products. The company owner and president Maurice Charlebois told **FP**:

"We have started some work on tooling up. Everything was delayed for about four months by the change in engines. Now office space has been hired for draughtsmen and engineers to begin work on the blueprints.

"But until the Department of Transport licenses the plane we can't possibly know which designs to go ahead with. So far we have received some $8,000 from Custer and have kept two or three people working.

"The tooling work is not going ahead until Custer establishes a promised $1,250,000 letter of credit. We cannot risk it without that."

Could tooling up be completed in time to get the first plane out by this summer?

Charlebois doubts it, pointing out that nine months have so far elapsed since the project was launched and work is still being carried out on sample tools.

Custer's Canadian president, William G. Spence, at present makes his headquarters at Leader Products.

Spence himself learned to fly about five years ago when he was concerned with mining.

He is cheerfully optimistic about his company's future.

He estimates that without engines or instruments, the aircraft can be built here for $12,000 each and that 500 men can produce 500 machines a year.

About the cost of the operation, Spence points out that financing is being carried out in the U. S. and no Canadian participation is being invited.

Canada, he argues, was selected because of lower production costs—"not just labor, we are more efficient up here."

The sale of the first 100 aircraft, he declares, has been made to Custer-Frazer Corp.—Custer's own sales organization.

ANNOUNCEMENT

SICKS' BREWERIES LIMITED APPOINTMENT

W. L. SHORTREED

Mr. N. A. MacPhee, President of Sicks' Breweries Limited, has announced the appointment by the Board of Directors of Mr. W. L. Shortreed as General Manager of the Company, effective Jan. 1, 1959.

Mr. Shortreed received his early education in the United States and his college education at Duke University and the University of Toronto. He graduated from Osgoode Hall and, following five years' overseas service with the Canadian Army, was called to the bar in Ontario in 1947.

After practising law in Toronto, Mr. Shortreed joined a large Canadian brewery which he served in various senior executive positions. During this period he became a graduate of the Advanced Management Program of Harvard University. Mr. Shortreed is now a resident of Calgary.

Raw Water Big Industry For Canada?

Creation of an artificial lake near Milton, Ont., to serve as a source of raw water for Trafalgar and Toronto townships, Brampton, Burlington, Georgetown and other communities has been suggested.

George Finley, Trafalgar industrial commissioner, told the Oakville-Trafalgar real estate board this week that **pumping raw water could become another major industry for Ontario.**

He suggested a 72-in. intake at Bronte on Lake Ontario and a 24-in. pipeline running some 15 or 20 miles to a point near Milton to establish a 20-acre lake averaging 20 ft. in depth.

Total cost, he said, would be about $4 million.

Examination by U. S. hydrotechnical engineers, plus advice from a Canadian investment firm, he said, indicate that a 200 million-gal. reservoir could be made about 10 or 15 miles inland and 250 ft. above lake level at a cost of less than 5c per 1,000 gallons.

Similar projects could be carried out on Lake Erie to serve the London - St. Thomas area and other communities.

Such a private water-pumping industry would not compete with existing public ownership water purification and distributing systems but merely guarantee that municipally owned systems would have a guaranteed supply of raw water.

Canadian Auto Production

CARS	Week Ending Feb. 21	Same Week 1958	Year To Date 1959	Year To Date 1958	% Change To Date
General Motors:					
Buick	253	318	2,533	2,654	
Chevrolet	2,049	1,776	15,716	13,267	
Oldsmobile	464	341	3,396	2,353	
Pontiac	1,387	1,150	9,879	8,426	
	4,153	3,585	31,524	26,700	+18
Ford:					
Edsel	97	29	604	228	
Ford	1,120	1,457	7,222	7,646	
Mercury	205	149	1,442	897	
Meteor	562	449	4,130	3,118	
Monarch	183	...	1,171	...	
	2,167	2,084	14,569	11,889	+22
Chrysler:					
Chrysler	215	36	1,071	515	
Desoto	33	13	207	176	
Dodge	569	258	2,888	3,861	
Plymouth	410	244	2,106	3,883	
	1,227	551	6,272	8,435	—26
Studebaker-Packard:					
Studebaker	212	...	1,262	345	+266
Total cars	7,759	6,220	53,627	47,369	+13
TRUCKS					
General Motors	713	534	5,377	3,982	
Ford	309	334	2,051	1,974	
Chrysler	150	138	836	947	
International	231	244	963	1,462	
Total trucks	1,403	1,250	9,227	8,365	+10
Total cars, trucks	9,162	7,470	62,854	55,734	+13

Source: Canadian Automobile Chamber of Commerce.

ANNOUNCEMENT

EMPIRE LIFE EXECUTIVE APPOINTMENTS

H. H. BLAKEMAN, F.S.A.
Vice-President and Managing Director

N. D. McDONALD, M.B.E., F.L.M.I.
Agency Vice-President

J. S. DELAHAYE, M.D.
Vice-President and Medical Officer

The Empire Life Insurance Company announces the appointments of H. H. Blakeman, F.S.A., as Vice-President and Managing Director; N. D. McDonald, M.B.E., F.L.M.I., as Agency Vice-President; and J. S. Delahaye, M.D. as Vice-President and Medical Officer.

Mr. H. H. Blakeman became associated with The Empire Life in 1936 as Actuary, was appointed General Manager in 1947 and was elected a Director in 1948.

Mr. N. D. McDonald joined The Empire Life in 1930 and his entire business career has been with the company. He has served as Assistant General Manager and Superintendent of Agencies since 1954.

Dr. J. S. Delahaye became associated with The Empire Life in 1936 and has served as Medical Referee since that date.

E. Burns Whale, Director, The Noxzema Chemical Company of Canada Limited

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ANNOUNCEMENT
ROBERTSON-IRWIN APPOINTMENT

H. E. SEELY, P.Eng.

J. G. Green, General Sales Manager, Robertson-Irwin Limited, has announced the appointment of Hugh E. Seely, P.Eng., as Manager, Toronto District Sales.

A Civil Engineering graduate of the University of New Brunswick, Mr. Seely has had many years' experience in sales engineering and administration with this company. He will be responsible for the sale of their Metal Building Products to industrial and commercial construction in Central and Northern Ontario, as well as Metropolitan, Toronto.

$36 Million Claims On Seaway 'Normal'

"No one would be more surprised than the contractors if all claims were paid in full . . ."

By LESLIE WILSON

OTTAWA (Staff) — Neither the government nor the construction industry in general think there is anything abnormal or irregular about $36.3 million worth of claims made by contractors who did $250 million work on the St. Lawrence Seaway.

Their view:

"In big contracts, it's quite normal to have big claims.

"The contractor naturally tries to make as much from a contract as he can, and often he can do so by a claim.

"No one would be more surprised than the contractors if all claims were paid in full."

Of the claims, six, totaling $8.6 million, have already been dealt with for less than 10% of face value—$768,000.

But there is no indication in this that a similarly low proportion of the other claims will be allowed.

And claims for additional work made necessary by unforeseeable circumstances are only a small part of the reason why the estimated over-all Canadian Seaway expenditure moved from $205.5 million in 1955 to $329 million today.

Of the $123.5 million difference between the two estimates, $104.5 million (see table) is the result of new Seaway projects and changes in design or specifications, in some cases as the result of new negotiations with the U.S.

Some $19 million is the result of:

- **Provision for claims.**
- **Rising labor costs.**

The basic reason for the $36.3 million in claims is that bidding for Seaway contracts was keen; and in some cases test borings and surveys were scanty.

Contracts drawn up were of types used throughout the government. All available test boring results were shown to contractors bidding.

The contracts required contractors to take responsibility if available test borings didn't give complete information.

The simplest claim for more money is of this type:

A contract may have been called for an excavation of a portion of river bed.

All available soil samples and borings indicated that the bed was composed only of loose gravel.

But when the contractor got down to work, he found patches of rock at several places between borings.

As the Seaway contracts are framed, this may be "just his tough luck." But he will probably submit a claim and, in some cases, receive payment.

A small proportion of the additional claims are for "extras" —additional work requested by the Seaway authorities.

The other claims fall into one or other of these categories:

▸ Claims because of rising wage levels.

▸ Claims because rock, etc., didn't show up in test surveys.

▸ Claims because quantities were greater than estimated in tender documents.

▸ Claims because of additional costs of winter work.

The claims are being processed by a group of Seaway engineers. Their recommendations will be acted on by the Treasury Board.

Why Seaway Costs Jumped

"NEW" OR RADICALLY CHANGED SEAWAY PROJECTS

Section	Project	Date of Decision	Cost $ million
Lachine	Turning basins — two in Laprairie basin pool, one at Montreal	Spring 1955	5.0
	Enlarging channel — Caughnawaga to Cote Ste. Catherine	Summer 1955	4.0
	High-level Mercier bridge rather than planned lift span	Early 1956	11.0
	Additional lift bridge at St. Lambert lock	1955	5.5
	Two railway bridges rather than one	1956	1.0
	Cote Ste. Catherine wharf	1955	1.5
	Larger municipal works	Various dates	5.0
	Provision for future "twinning" of Lambert and Cote Ste. Catherine locks	1956	2.0
Soulanges	Four-lane highway tunnel at Beauharnois rather than lift bridge	Early 1956	2.5
	Snubbing wharf — temporary berthage mooring	1956	.5
International Rapids	Dredging and channel improvements north and south of Cornwall Island (result of new U.S.-Canada talks)	1956	18.0
	Cornwall — south channel bridge	1955	2.7
	Cornwall — north channel bridge	1956	6.5
	Contribution to power entities for channel enlargement (U.S.-Canada talks)	1956	9.0
	Provision for future "twinning" Iroquois lock	1956	1.0
Thousand Islands	Channel dredging	1956	1.0
Welland	Deepening to new specifications	Autumn 1955	23.6
Generally	Increased expenditure for land expropriation		4.7
	TOTAL		104.5

Welland Canal Big Expense

OTTAWA (Staff) — The biggest single "new" increase in Seaway expenditure is for the Welland Canal deepening.

Reason: Specifications were changed radically in 1955.

The original Welland estimate was made in 1926 — $1.1 million — and this figure was incorporated in the Seaway application made by Canada to the International Joint Commission in 1951.

By 1954, this figure had been revised upward to $1.3 million.

The original estimate applied to a 27-ft. channel and a 200-ft. width.

In 1955, rock was discovered along a seven-mile length of the Welland bed, and it was decided to deepen the channel to 29 ft. and widen it to 300 ft. because of new estimates about the sizes of ships which would be using the canal.

This change in specifications brought the figure to the present $23.6 million.

Helter Skelter Investing vs. Planned Portfolio

Investors seem to divide into two categories.

The first and largest group gradually acquire a collection of stocks, bonds and other investments in a haphazard and unrelated manner. They are often over-specialized in certain industries, and entirely ignore others which may have better long-term prospects.

Those in the second group seek to achieve a balance in their investment policy between the ultra conservative and the overly speculative. They aim for the safety of intelligent diversification and a good over-all income. Such a policy provides a bonus of better-than-average chances for healthy appreciation.

If you are intending to enter the second category *some day*, the time to do it is *now*. Our Research Department will provide an up-to-the-minute and impartial analysis of your holdings, with suggestions for changes and future action. Thousands of investors in every part of Canada have received this service from time to time to keep abreast of the changing financial climate. Your inquiry is invited.

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Record 2,500 Attend Meeting

Exploration activity in Canadian mining has temporarily slowed to a crawl.

The reason:

Prospectors and developers, geologists and mineralogists — a record 2,500 of them — are pouring into Toronto for the joint annual meeting and convention from March 1 to 4.

It's a combination back-to-school movement and celebration for the mining industry.

As a curtain-raiser, prospectors are attending a week of classes at the University of Toronto.

And the convention will explore subjects ranging from Canada's part in the development of atomic energy to how to plan and carry out an exploration program.

Company Report

Public Utilities

BELL TELEPHONE CO. OF CANADA, Montreal, net profit of $38,899,289 for 1958 was 7.9% higher than 1957's $36,037,169.

Total revenues rose 8.5%, local service revenue 8.7%, and long distance revenue 6.8%, President T. W. Eadie reports. Other operating revenues, primarily from directory advertising, increased by 17.2%.

Operating expenses were up 8.6%, due chiefly to higher wage rates, the president says.

Number of telephones increased by 185,465 to 3,140,349 at year-end, and number of long-distance calls was 8.3% higher than in 1957.

New equipment and operating methods were introduced, and a large number of administrative procedures simplified. Company had 39,321 employees at Dec. 31, 1958, a drop of 2,042 from 1957 year-end.

Capital expenditures totaled $183 million. New equipment buildings were opened or existing buildings extended in 119 different communities.

Coast-to-coast radio relay network, which was built by members of **Trans-Canada Telephone System,** was opened July 1. Network carries both long distance telephone calls and television programs.

Company has begun building microwave chains from Montreal to North Bay, and from Toronto to London and Windsor. A link between Montreal and New York has gone into operation.

Direct distance dialing went into effect in Toronto last May, and was later extended to Guelph and Windsor.

Mobile telephone service was made available to Fort William and Port Arthur, and distribution facilities were provided for a number of community television projects.

Average cost of physical plant behind each telephone amounted to $439 at year-end.

Financing in 1958 included a $50 million 4¼% bond issue sold in U.S., $30 million 4½% debentures payable in Canadian funds, and $6,749,187 realized on sale of shares under employees' stock plan. By year-end arrangements had been made to sell $30 million 5¼% bonds maturing July 2, 1980.

New rates, which went into effect Dec. 1, are expected to improve 1959 net income by some $8 million.

INCOME ACCOUNT

Years Ended Dec. 31:	1958 $	1957 $
Oper. rev.	329,945,271	303,890,640
Net earnings	139,175,466	126,650,784
Less: Deprec.	55,753,618	48,953,620
All interest*	15,196,385	13,543,129
Amort. bds. disc.	208,174	245,866
Inc. taxes	29,118,000	‡27,871,000
Net profit	38,899,289	36,037,169
Less: Divds.	36,180,429	33,480,970
Surplus for year	2,718,860	2,556,199

*Including $30,086 in 1957, discount U.S. exchange.

‡Including $12,852,000 in 1957, being amount of reduction in taxes payable for the year due to depreciation deducted being in excess of that included in operating expenses.

	1958	1957
Times All Interest Earned:		
Before deprec.	9.16	9.35
After deprec.	5.49	5.74
Earnings per Share* and Dividend Record:		
Earned	$2.15	$2.15
Paid	2.00	2.00

*Based on number of shs. o/s during year as calculated from dividends paid.

Shares o/s as at Dec. 31:	1958	1957
Common, $25	18,183,956	17,983,980

CONDENSED BALANCE SHEET

As at Dec. 31:	1958	1957
Cash	$6,566,000	$4,095,711
Accts. rec.	41,042,787	37,295,309
Temp. cash. inv.	......	22,923,343
Inventories	11,688,914	11,961,904
Total curr. assets	59,297,701	76,276,267
Invest. secs.	39,412,893	38,556,840
Def. debits	16,348,989	16,540,885
Fixed assets	1,378,274,117	1,223,615,264
Total assets	1,493,333,700	1,354,989,256
Accts. & tax. pay.	48,256,063	34,747,479
Other curr. liab.	22,485,617	19,994,216
Total curr. liab.	70,741,680	54,741,695
Def. credits†	62,522,521	60,403,321
Funded debt	423,000,000	343,407,431
Deprec. res.	305,707,145	274,122,282
Capital stock	454,598,900	449,599,500
Cap. stk. prem.	139,211,431	137,461,644
Cap. surplus	......	1,333,789
Earned surplus	37,552,023	33,919,594
Working capital	*11,443,979	21,534,572

†Includes deferred income tax of $48,215,813 in 1957 and 1958.

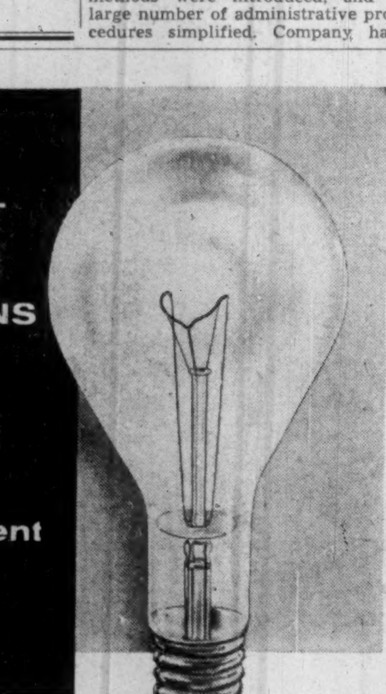
*Excess of curr. liabs. over curr. assets.

Lindsay to Drill Molybdenum Bet

A diamond drilling program is planned for the molybdenum property of **Lindsay Explorations.** The prospect is located in McTavish township in the Port Arthur area of Ontario.

Metallurgical tests on a one-ton sample were recently completed by **International Ranwick.** Average grade of the samples taken from surface pits was 2.85% molybdenum. •

FOR HARD-TO-SERVICE LOCATIONS and wherever lamp replacement costs are excessive



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EXTENDED SERVICE LAMPS GIVE
TWO-AND-ONE-HALF TIMES NORMAL LAMP LIFE

In every industrial and commercial establishment there are hard-to-get-at fixtures where the labour cost for replacing burned out lamps is well above average. Here, Westinghouse Extended Service lamps, which have a rated life of 2500 hours, can cut replacement labour costs by 50% or more.

Remember that any increase in life is made at the sacrifice of lighting efficiency. Westinghouse Extended Service Lamps are recommended for hard-to-service locations where lower lamp efficiency is acceptable. Standard Westinghouse incandescent lamps are best for general lighting where maximum efficiency is required and replacement costs are normal.

Westinghouse Extended Service lamps are ideal for a Group Replacement programme. If you aren't familiar with Westinghouse Group Replacement—a really remarkable cost-saver—write to us for full information.

SEND FOR THIS FREE BOOK TO HELP YOU PICK THE BEST LAMP FOR EVERY APPLICATION

The Extended Service lamp is just one example of how savings can be effected by using the right lamp in the right place. This book tells you what to use. Write for your copy today.

You can be SURE . . . if it's Westinghouse

FOR FLUORESCENT AND EVERY TYPE OF INDUSTRIAL LAMP

CANADIAN WESTINGHOUSE CO. LTD.—LAMP DIVISION THREE RIVERS, P.Q.

by an advertisement in the Star Weekly

Any dad and his boy would be starry-eyed with a layout like this. But Dad has other reasons for being so. He knows that his boy will be well looked after "should anything happen". It all started when he read an insurance company advertisement in the Star Weekly. The ad wasn't about insurance, but about health. He read it and was sold on learning more. He's glad he did.

The Star Weekly's unique four-section format makes it the natural family publication, brings it into homes with children, prime prospects for almost all advertisers. And 55.3% of its readers are between ages 23 and 55, the big buying years. Over 500 leading advertisers reach them with the Star Weekly.

SELL YOUR PRODUCT IN VOLUME AT LOW COST IN THE STAR WEEKLY

HOCKEY

Travel Disaster: $6 Million Policy To Cover Teams

Here's how the new transportation disaster policy will protect National Hockey League Clubs . . .

By VINCE LUNNY

MONTREAL (Staff) — A $6 million transportation insurance policy soon will become effective in the **National Hockey League.**

Negotiated by the League's brokers, the policy will be re-insured by **Lloyd's.** By mid-week more than 90% had been subscribed.

The scheme reflects increasing concern by major sport for disaster protection.

The NHL policy will cover 20 players on each of the six major professional hockey clubs and proceeds, in event of a "covered accident," must be used to acquire replacements under a new intra-league draft scheme.

For insurance purposes each of the 120 players is valued at $50,000. Premium is 1/20th of 1%, or $3,000 a season on total amount of $6 million, and will be paid out of league funds.

The plan is based on the disaster insurance plan of the American League of Professional Baseball Clubs (with certain modifications).

American League insurance covers 25 players on each club at $75,000 a piece and becomes effective when seven or more players are killed or disabled.

In the NHL a "covered accident" will be one in which a club loses five or more players by death or disability.

A player shall be considered disabled if he is unable to play in a minimum of 15 games as a result of the accident, President Clarence S. Campbell told **FP** in outlining details of the scheme.

If nine players or fewer are casualties, each of the other five clubs will make available for selection by the disaster team all players in its organization except those on a protected list of 12 skaters and a goaltender.

If 10 or more players are killed or disabled, the protected list of the other clubs shall be nine.

But when the disaster club has brought its strength to 12 players, including drafted men and survivors, the draft will be halted and a new protected list of 12 established.

For each drafted player the disaster club will pay $50,000, as provided under the policy.

NHL clubs travel some 170,000 miles a year so that 210 home games can be played in six cities.

The **Chicago Black Hawks,** with their home rink at the extreme western tip of the circuit, travel 35,000 miles a season. The **Boston Bruins** travel only 25,000.

Average for the six clubs is 28,000 miles with **Montreal Canadiens** and **Toronto Maple Leafs** coming within a few hundred miles of that figure.

The Canadian clubs are the only ones that don't use air transport but, with abandonment of some trains linking Toronto with U. S. cities, the Leafs might be forced to take to the air to meet future schedules.

Despite the substantial mileage piled up every winter, NHL teams haven't been involved in a serious travel accident.

The Canadiens came close to disaster 10 years ago when several cars of a train, Montreal-bound from Toronto, went off the rails at a bridge at the western end of Montreal Island.

The car carrying the hockey club ripped up ties and tottered precariously against bridge support but didn't topple into the icy waters below. Several players were shaken up.

The NHL began serious consideration of insurance following an air crash in Munich last year. Eight **Manchester United** football players were among the 23 people killed.

Most recent disaster involving Canadian professional athletes was the crash three years ago of a **Trans-Canada Airlines,** plane in the Rockies following an all-star football game in Vancouver.

Several stars, traveling independently, died.

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Greater Wpg. Gas	100.00
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ANNOUNCEMENT

NORBERT G. SCHMIDT

Norbert G. Schmidt, formerly Vice-President in charge of Manufacturing at Cluett, Peabody & Company of Canada Limited has been elected a Director and appointed President of the Company to succeed Edward A. Bacchi. Mr. Schmidt joined the Company 12 years ago. In 1952 he became Superintendent of Production and two years later was appointed Vice-President in charge of Production.

Store Union Peps Drive For Members

SAINT JOHN—The ambitious Retail, Wholesale & Department Store Union has opened an organizational attack on major New Brunswick retail stores.

The first target:

King Sq. outlet of **Dominion Stores,** now being picketed by the union.

Court action has been instituted against the company over discharge of an employee and the union this week was to appear before Labor Relations Board for rehearing of its application.

Union contends it has majority of employees at King Sq. store and should be certified, while company opposes union recognition at a single store.

RWDSU is also asking for certification at General Dairies Ltd.

The union has stepped up its organization activities nationally.

A spark is the activities of the rival Retail Clerks' union and its rumored partnership with Hoffa's Teamsters in the latter's drive to organize truckers and warehouse workers in Canadian retailing.

Probe Self-Serve Retail Methods At Packaging Meet

Self-serve merchandising will get close attention at the 1959 Canadian Packaging Conference in Toronto's King Edward Hotel March 10-11.

Canadian and U.S. wholesalers, retailers, distributors, manufacturers and home economists will tackle the subject in a day-long discussion on the second day of the conference.

Sponsored by the Packaging Association of Canada, the conference sessions will also be devoted to ways of co-operation among manufacturers and the distributive trades, new trends in packaging and research studies in the field.

About 50 speakers will take part, representing all phases of Canada's packaging industry.

McAlpine and Sogemines Behind N.B. Paper Mill?

MONTREAL (Staff)—A few details are appearing on the secrecy-shrouded pulp and paper operation being planned in New Brunswick (**FP**, Jan. 10).

Size, timing, financing and—most important — markets for the project remain unknown. But . . .

• It's strongly rumored that among those backing the project are **Sogemines Ltd.,** Belgian-backed company with wide Canadian holdings, especially in cement, mining and oil; and the British **Sir Robert McAlpine** interests.

Sogemines had "no comment" on this report. The extent of Sogemines and McAlpine participation isn't known.

• The new paper firm—**Rothesay Paper Corp.**—has applied for New Brunswick incorporation, says the mill would be built in Simonds Parish, near Saint John.

• Observers think any paper mill would have to reach a capacity of 300 tons daily, or more, to be economic. If so, capital expenditure could run to $40 million, although this is just a guess.

Do today's very competitive markets justify such a scheme, in the near future? On the answer to this question will depend decisions on timing.

The proposal recalls another which snagged on financing troubles.

This was the plan to build a $65-million 500-ton-plus newsprint mill at Lepreau, west of Saint John (**FP**, Sept. 1, 1956).

Among backers were the McAlpine interests and **Butler Co.** of Chicago. The project was well advanced when it was shelved.

Firm Here to Back Haiti Sugar Plant?

Canadian and German interests are discussing joint construction of a $6-million sugar plant in Haiti.

President J. B. Monier of **Minotaur Oil & Gas,** Toronto, was in Haiti this week for talks in connection with a plant near Port au Prince.

Also participating in the project is machinery maker **Salzgitter Industriebau GmbH** of Salzgitter, West Germany.

The proposed plant would process 2,000 tons of cane a day, and produce 40,000 tons of sugar yearly.

Monier is also the head of **Eagle Promotions Ltd.** and **Canadian-Haitian Trade Centre,** opened in Toronto recently. Minotaur's oil and gas interests are in the Rodney, Ont., area.

Spokesmen for **Acadia-Atlantic Sugar Refineries Ltd.** and **Canada & Dominion Sugar Co.** said that they have no knowledge of the undertaking.

Haiti produces a substantial amount of sugar cane, but the sugar industry is little industrialized.

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- Mechanically refrigerated test chambers
- Controlled environmental plant growth cabinets
- Special chambers for precise temperature and humidity control
- Air Pollution equipment

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8-1

ANNOUNCEMENT

UNDERWOOD OF CANADA ANNOUNCES EXECUTIVE APPOINTMENTS

WILLIAM H. YEATES — ARCHIBALD J NEWLANDS — WALTER I. MARKLE — C. FORD LANCASTER — KELVIN R. BELL

At the Annual Meeting of Directors of Underwood Limited, on February 17th, the following appointments were confirmed: William H. Yeates, as Executive Vice-President; Archibald J. Newlands, Vice-President and Assistant to the President; Walter I. Markle, Vice-President and Comptroller; C. Ford Lancaster, Vice-President and Secretary-Treasurer; Kelvin R. Bell, Vice-President and Works Manager. Underwood's new Factory on Don Mills Road is being rushed to completion to meet the demand for typewriters, adding machines and accounting machines. The application of automation to office routines will be responsible for an increased volume of sales. The transition from manual to electric typewriters is also being taken into account by Underwood with their new model Electric Typewriter, the Documentor.

MERILYN WALKER is a graduate X-ray technician who's working as a research technician in the thermo calibration division of the National Research Council. Merilyn represents more than 65,000 government workers in Canada's booming capital.

Look at the facts:

- A $2 million shopping centre is now under construction to serve 1,650 new homes in South-east Ottawa.
- An outlay of $10 million by the Federal District Commission will be the initial cost of re-locating Ottawa's downtown railroad system.
- A new $60 million housing, commercial and industrial development has been announced for Ottawa's West-end.
- A new $10 million span across the Ottawa River into Hull has been approved and is now in the final planning stages.

All in all, industrial, commercial and government expansion planned for Ottawa over the next few years is nothing short of staggering.

These tremendous expansion plans are just a few of the many good reasons why Metropolitan Ottawa can now boast a retail sales figure of $325,422,000.* Metropolitan Ottawa now boasts a population of more than 362,400.

To sell this wealthy market you must use the Ottawa Citizen . . . the paper the people know and trust. The Citizen now boasts a hard-selling circulation of over 70,000.

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Ask your Southam representative for a free booklet, featuring complete, up-to-date market information.

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MONTREAL TORONTO VANCOUVER

ANNOUNCEMENT

NEPTUNE METERS LIMITED

W. T. RANDALL

W. O. RANDALL

The Board of Directors of Neptune Meters Limited announces the election of Mr. W. T. Randall as Chairman of the Board. Mr. Randall joined Neptune Meters in 1919, was appointed a Director of the Canadian company in 1928 and became President in 1942.

Appointed to succeed Mr. Randall as President is Mr. W. O. Randall, who joined the company 12 years ago. He has been active in both sales and management capacities, and was named Vice-President and General Manager in 1957.

We wish to announce that

PHILIP N. HOLTBY

is now associated with our Company and will specialize in Investment Securities.

Doherty Roadhouse & Co.

335 Bay Street, Toronto

Telephone EM. 8-7411

Food Men Beware: 'Radioactivity' Scares Can Hurt

Public anxiety over fallout can hit sales. This Winnipeg dairy flurry teaches a lesson . . .

From Our Own Correspondent

WINNIPEG — A nuclear-age business hazard hit Winnipeg dairy companies and Manitoba milk producers last week.

In the wake of a statement by three University of Manitoba physics professors on the danger of fallout radioactivity in milk, most dairies experienced a moderate fall-off in sales.

Reassurances from health authorities and a new statement by the physics professors themselves sent milk sales climbing again within a few days.

In the meantime, there had been a demonstration of public anxiety at which food producers will have to take a long and careful look.

The figures on which the professors based their original statement were a year old.

They showed that in March, 1958, a sample of Manitoba milk showed 14 units of strontium-90, a product of nuclear tests, compared with three units about a year before.

The maximum permissible concentration of strontium-90 for human consumption is 80 units per litre of milk.

Federal and provincial health authorities assured Manitoba consumers that there is no present danger in the concentration shown in the March, 1958 readings. But no up-to-date tests were available.

In a further statement, the three professors, two of whom had been active in circulating a "ban-the-bomb" petition last year, said nobody knew enough about strontium-90 concentrations to say which milk was safest.

Confirmation of this came at the weekend when figures were published showing a drop to 9.5 units in the strontium-90 content of Manitoba milk.

But even at the higher former reading, Premier Duff Roblin told the Manitoba Dairy Association convention, Manitoba milk was well within the safety limit and had a strontium-90 content about average for Canadian cities.

Provincial officials say privately that much of the flurry could have been avoided if there was a more extensive federal radioactivity testing program and if results were published more promptly.

"Public anxiety like this thrives on fear of the unknown," said one. "A better knowledge of the whole subject is essential."

THE INVESTMENT FUNDS

Third Cdn. General Invest. Assets Rise 31.7% in '58

Third Canadian General Investment Trust Ltd., Toronto, net asset value per share rose 32.4% to $8.42 at Dec. 31, 1958, from $6.36 a year earlier.

Net assets (at market value) were $15,175,198 at end of 1958, up 31.7% from previous year-end's $11,525,844.

During 1958 trust added two bonds and liquidated holdings in four preferred issues. One preferred stock was increased and holdings in seven were reduced.

Nine common stocks were liquidated and one was added. Holdings in 12 common issues were increased, and five others were reduced.

Here are the changes in detail:

	Amount held at Dec.31/58	Change since Dec.31/57
Gen. Motors Accept. Bonds & notes:	$	$
3½% '59	50,000	+50,000
Traders Finance 3¼%, 59	100,000	+100,000
Preferred:	—— Shares ——	
B. C. Packers A	...	—4,500
Canada Cement 6½%	...	—1,000
Dom. Tar & Chem. pfd.	...	—400
Nat. Grocers 7½%	...	—525
Canada Packers A	1,500	—75
Can. Steam. Lines 5%	6,000	—1,300
Cdn. Celanese	935	—665
Gatineau Power 5%	135	—65
Gen. Prod. Mfg. 2nd	2,400	+1,600
Gen. Steel Wares 5%	230	—50
Traders Finance 4½%	790	—510
United Fuel Invest. A	1,700	—300
Common:		
Anglo-Nfld. Develop.	...	—2,000
British American Oil	...	—1,000
B. C. Packers B	...	—3,500
Cdn. Breweries	...	—2,000
Dome Explor. (Western)	...	—2,000
Dominion Stores	...	—1,250
Russell Industries	...	—3,900
Teck-Hughes Gold M.	...	—10,000
Traders Finance B	...	—550
Aluminium Ltd.	5,000	—1,000
American Nepheline	14,000	—4,000
Argus Corp.	4,000	+1,000
Canada Packers B	6,000	+150
Cdn. Gen. Invest.	270,300	+11,239
Cdn. Indust. Ltd.	2,500	+1,500
Consumers' Gas	1,500	+500
Dome Petroleum	2,000	+2,000
Dom. Foundries & Steel	10,000	+1,000
Huron & Erie Mtge.	6,000	+2,000
Imperial Oil	2,000	+400
Kerr-Addison Gold	4,000	—1,000
Macassa Mines	3,000	+500
MacLaren Power & Paper	3,140	+15
MacMillan & Bloedel B	2,000	—2,000
Page-Hersey Tubes	7,000	+5,000
Trans-Can. Pipe L.	1,000	—200
Hiram Walker-G. & W.	6,000	+4,000

THIRD CANADIAN GENERAL INVESTMENT TRUST LTD., Toronto, net profit of $546,896 for 1958 was 1.3% lower than 1957's $553,880.

Indicated market value of securities exceeded cost by $3,828,697.

It cost 5.8% of investment income (or 0.22% of net assets) to run company. Balance was available for dividend payments.

Capital surplus distributable was increased by $153,602 profit on security sales, and $1,000 dividends received under Section 105 of the Income Tax Act, reports President M. C. G. Meighen.

INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Total income	$586,428	$597,608
Less: Manage. fee	29,203	33,475
Oth. fees & misc.	9,384	9,853
Inc. tax res	945	400
Net profit	546,896	553,880
Less: Dividends	459,297	459,298
Surplus for year	87,599	94,582
Earnings per Share and Dividend Record:		
Earned	$0.30	$0.30
Paid	0.25	0.25
Net asset val. per sh.	$8.41	$6.34
Capital gain†	153,602	123,085

†Net profit on securities sold, added to capital surplus.

Shares o/s as at Dec. 31:		
Capital, $5 par	1,837,190	1,837,190

BALANCE SHEET

As at Dec. 31:	1958	1957
Cash in bank	$72,566	$52,686
Securities sold	175,195	1,174
Marketable secs.*	11,346,501	11,266,974
Accr. int. & divds.	120,462	121,572
Total assets	11,714,724	11,442,406
Misc. liabilities	67,340	19,794
Invest. res. (mines)	19,142	37,171
Inc. tax res.	953	353
Capital stock	9,185,950	9,185,950
Capital surplus	1,476,316	1,321,714
Earned surplus	965,023	877,424
*Market value	15,175,198	11,525,844

NEW SALES AGENT

National Fibre Co. of Canada has been appointed exclusive sales agent for "Bakelite" brand laminated plastic products by **Bakelite Co., Division of Union Carbide Canada Ltd.** Primary products will be made by Bakelite Co. while sale of sheets, rods and tubes and production of fabricated parts will be functions of National Fibre.

Our U.S. Mineral Exports Took Nosedive During '58

From Our Own Correspondent

WASHINGTON, D.C. — There's bad news for Canada's mineral industry in new figures given to **FP** by the U. S. Bureau of Mines.

They show Canada's share of U. S. minerals imports during 1958 has fallen off, in some cases sharply, compared with the 1953-57 average.

The drop was especially noticeable for aluminum and nickel.

Canadian aluminum took 84% of all U.S. import needs during the five-year average, but last year, the figure was down to 77%.

For nickel, the five-year average is 79%, but in 1958 the rate was down to 67%.

Asbestos imports from Canada also fell in relation to overall imports.

Our average share of imports is 94%; last year we were down to 91%.

For lead, our average share of imports is 15% — but last year we fell to an 11% share of the market.

Our copper exports also were off on this basis, dropping from our five-year average of 18% to 16%.

For iron ore, the average is 36%, but last year, Canada contributed 32% of total imports.

There was no change in our position on zinc with Canada still holding 38% of the import market. For gold imports, our average has been 60%, but last year rose to 63%.

There also was a sharp rise in our share of the uranium import market, but those figures are kept secret for defence reasons.

Canadian petroleum crude last year took 9% of the U.S. import total and we had 1% of the petroleum products imported.

There are no figures available for the five-year average.

Industry-Getter For Saskatoon?

From Our Own Correspondent

SASKATOON — This city may get an industrial commissioner whose full-time job would be to promote Saskatoon as a site for new businesses.

City Commissioner John McAskill has been instructed by City Council to study the need for one and report to Council.

One alderman said the matter of promoting new industries in Saskatoon has been left to the Board of Trade for a number of years "but despite their commendable work, more time should be spent in promoting new industry."

Another alderman said the move would mean "a cushy job" for someone.

He said Edmonton and Calgary have departments to promote industry that are costing $84,000 a year. He said an elected city representative would carry more weight than an appointed one.

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ANNOUNCEMENT

CIBA APPOINTMENTS

R. LAROSE

W. SONTHEIM

A. B. POTTER

Dr. H. B. Marshall, President of CIBA Company Limited, Montreal, announces that Messrs. Wilfried Sontheim, Roger Larose and Alan B. Potter have been elected Vice-Presidents of the Company. Mr. Sontheim is Manager of the Administrative & Financial Division, Mr. Larose is Manager of the Pharmaceutical Division and Mr. Potter is Manager of the Dyestuffs Division.

Small-Office Switchboard

WHERE the staff is too small to warrant a standard switchboard and full-time operator, the 507-B provides quiet, efficient service at low cost.

NO LARGER than an adding machine, this 54-pound PBX may be placed on a desk or table, permitting an attendant to type, file or do other office work between calls.

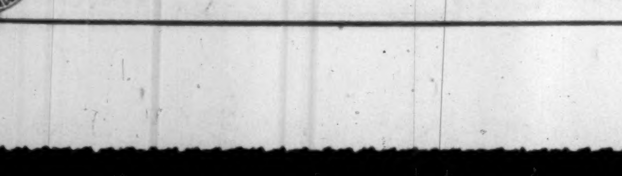
INCOMING CALLS are received at this manually operated switchboard and distributed by the attendant.

OUTGOING CALLS can be dialed by asking attendant for "outside line".

CALLS BETWEEN EXTENSION TELEPHONES are also connected through the switchboard by the attendant.

CAPACITY of 507-B permits five simultaneous conversations, connects with twelve extension lines.

Just call us. A Bell Communications Specialist will be glad to study and recommend the service or combination of services which will best suit your specific needs . . . there's no obligation.



THE BELL TELEPHONE COMPANY OF CANADA

JOB MAKERS

CANADIAN manufacturing in each month of 1958 provided employment for an average of 1,146,156 Canadian men and women. This represented nearly 43 per cent of all non-agricultural employment in Canada.

The combined income of those engaged in manufacturing in 1958 was slightly less than $5 billion or about 31 per cent of all Canadian wages, salaries, and supplementary labor income.

Manufacturing is by far the most important part of the Canadian economy.

Manufacturing provides the greatest amount of employment in Canada. It makes by far the largest contribution to government revenues. Its production enables Canadians to enjoy the second highest standard of living in the world.

Because of its contribution to our way of life, Canadian manufacturing deserves the support of every Canadian through the purchase of goods made in Canada.

Steel is the foundation of all our manufacturing, and Stelco is Canada's largest steel producer.

THE STEEL COMPANY OF CANADA LIMITED

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GOLD PROPERTIES WANTED

We wish to acquire by purchase or option, undeveloped and/or partly developed gold properties and gold bearing claim groups. To facilitate quick decision please give full information and include all available informative material and maps with first letter.

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Buckinghamshire, ENGLAND.

Combines Case Offers Unique Tariff Threat

Sell to all traders or tariff protection will be cut, CIL told . . .

OTTAWA (Staff) — A new kind of combines case is now receiving consideration from Justice Minister Fulton.

It does not call for prosecution, but for an original kind of tariff threat from the government to a company.

The case derives from a newly-published report of the Restrictive Trade Practices Commission on "ammunition" — civil, not military.

"Sporting" ammunition is the main concern — shells for shotguns and rifles — of which the only present Canadian manufacturer is **Canadian Industries Ltd.**

CIL is accepted, without complaint, as a tariff-protected monopoly (within the meaning of the Act) in this kind of ammunition.

RTPC does not challenge the view that the Canadian market is too small for more than one plant.

But it holds that CIL, as the only Canadian producer, should not be free to pick and choose its distributors.

The recommendation made to the minister is that CIL should be asked for an undertaking "not to restrict its sales of ammunition to defined classes of distributors."

And, says the RTPC, its continued tariff protection should depend on its giving this undertaking.

If it won't says the commission, then the government should:

- **Either reduce the tariff**, so that traders refused supplies of ammunition by CIL can import comparable lines on a competitive basis.
- **Or allow a drawback of duties to traders** refused supplies by CIL, the drawback to reduce their landed cost on imports to the price competitors pay for CIL products.

The whole case started with complaints sent to the Director of Investigation and Research under the Combines Act, T. D. MacDonald, about refusal to recognize certain wholesale distributors.

The RTPC report contains a special section dealing with **Peterborough Guns Ltd.**, which was excluded from CIL's list because it did not fit CIL's definition of a "sporting goods wholesaler."

The company's policy was to make direct sales only to wholesalers handling a variety of sporting goods or of hardware.

It also encouraged these wholesalers to supply CIL ammunition only to retail outlets described as hardware, sporting goods and general stores.

S. J. Smart, general manager of the Ammunition Division of CIL, testified that these were the "natural" outlets, and that they would carry ammunition all round the year not just at seasonal peaks.

This was important to even out production and to ensure that supplies were adequate in areas where hunting was good, without over-supply in areas where it happened to be poor in a particular way.

The company contended that its distribution policy, which the RTPC called "restrictive," secures "the maximum sales of CIL ammunition and provides the best kind of service to retailers and to the users of ammunition."

It admitted some departures from its definitions of "wholesale sporting goods" and "wholesale hardware" firms among its distributors.

Some, it said, resulted from historical events; but it had also accepted four or five department stores and mail order houses.

The commission's report says that, in spite of this, CIL rejected distributors of automotive accessories and of specialized sporting goods; though one of these "has already become a substantial distributor of CIL ammunition even though it has not been able to buy directly from CIL."

Commenting on the exclusion of Peterborough Guns Ltd., Mr. Smart of CIL said there were "30 other gun houses in the same category" and if CIL had accepted them all it would have added 35% (numerically) to its list of wholesalers and "seriously disrupted the distribution system built up over the years."

The Restrictive Trade Practices Commission, which is operating without a third member, consists of C. Rhodes Smith, chairman, and A. S. Whiteley, former deputy combines commissioner.

Its only complaint against CIL, after all the hearings, was that it:

- "**Strictly limited** the number of wholesale distributors in each area."
- "Rigidly confined its acceptance of any new distributor to a few designated classes of trade."
- "**Exercised control** indirectly over the class of retailers" to whom its ammunition should be supplied.

But the Commission declared that, as sole manufacturer in Canada, CIL's ammunition:

- "Has been satisfactory to the shooting public."
- Its prices were "generally lower than the prices in Canada of comparable imported ammunition."
- Though prices were "commonly higher than in other countries of manufacture."

As for the monopoly, it said:

—CIL "has actively promoted the sale of ammunition by advertising, fostering shooting clubs, and in other ways."

—It has "increased its share of the market to 95% or more from approximately 65% 25 years ago."

—Evidence shows no efforts by CIL to prevent anyone else manufacturing in Canada.

—Its position as sole manufacturer does not result from the merging with or acquisition of other manufacturers.

But the Commission reports that the monopoly position of the manufacturer makes it all the more necessary to have free competition in distribution.

And it charges that:

- The policy of CIL excludes new entrants from engaging in wholesale trade in its ammunition.
- It establishes a "rigid pattern," so as to "restrict innovation and impede the possible development of new and more economical methods of distribution."
- It "seriously interferes with possible competitive developments in the distribution of this product."

The essence of CIL's answer, submitted in a written statement, is that its policy is to "sell through the most efficient mechanism as much ammunition as possible."

The company contends that:

—"**Any prudent manufacturer** would normally select his wholesale outlets carefully to meet current market needs and provide for expansion."

—"**It's policy is a carefully planned** and applied commercial policy resulting from many years' experience, and readily adaptable to meet new conditions."

Then it asks: "Who is to be the judge?"

The director (T. D. MacDonald, it says, alleges that some wholesalers who were rejected would have helped to distribute ammunition more economically and efficiently.

Does he mean that CIL "should wash its hands of any planned policy of distribution?"

Does he suppose CIL "has adopted a policy which will sell less ammunition than what he proposes?"

But the Restrictive Trade Practices Commission concluded that CIL should be denied its present tariff protection unless it adopts "a distribution policy which conforms to the principles of a free enterprise economy."

Its recommendations for tariff action are now before the government.

ANNOUNCEMENT

A. B. DICK COMPANY APPOINTMENT

T. P. HOWE

At a recent Directors' Meeting of A. B. Dick Company of Canada, Ltd., T. P. Howe was elected President of the Company and also re-elected to the Board of Directors.

'DAYS NUMBERED?'

Union Hits Rough Seas In Newfoundland Fight

From Our Own Correspondent

ST. JOHN'S — Who will win the bitter union struggle in Newfoundland?

Powerful International Woodworkers of America is being battered by the strongest opposition it has perhaps ever encountered.

Facing IWA:

- **Premier Smallwood's** uncompromising plan to toss IWA off the island.
- **Flat refusal** of two paper companies — Newfoundland's major employers — to deal with IWA under any circumstances.
- **IWA's arch enemy** in Newfoundland logging camps, the lumber and sawmill division of the big, 76,000-member Brotherhood of Carpenters.

The two unions have been fighting quietly behind the scenes since IWA came to the island. Carpenters is known to be ready to assume the position it had before IWA arrival.

Right now, there is wide opinion here that the IWA's "days are numbered."

But the muscular union, a powerful force in B. C. woods labor, can't afford to back down now.

The blowup on Newfoundland's labor front has been slowly coming to a boil ever since IWA organizers moved into what looked like lush, new territory two years ago.

But one labor observer points out:

"IWA tactics — including the initial propaganda line — were foreign to Newfoundland. And when real trouble developed, it ran headlong into the government's policy of economic development."

Now, both government and opposition legislative house members are backing Premier Smallwood's plan to form a new, independent loggers' union to take over from IWA.

At mid-week, the premier was in Grand Falls to guide the new union organization.

The premier claims initial indicated support of 5,000 loggers for his plan.

Meanwhile, new outbreaks of violence have punctuated the tense situation.

Some 200 IWA supporters stormed two camps of **Bowaters** to remove opposition loggers.

Although IWA is on strike only against **Anglo-Newfoundland Development Co.**, feeling is running high against Bowaters which has lined up in the drive to crush IWA.

But it's not likely IWA will drop out of the Newfoundland picture meekly.

It has backing from Canadian Labor Congress, of which it is an affiliate, and from other Canadian unions — although this support is not all-out, nor across-the-board.

COTTON MAKERS

Tariff Board Sees Plight But Offers No Solution

MONTREAL (Staff) — Although the Tariff Board has amply recognized the plight of the Canadian cotton textile industry, it has recommended little help for the nation's cotton makers.

That's the general reaction of the Canadian cotton textile industry to the Tariff Board report on cotton textiles released last week (**FP**, Feb. 21).

The industry's opinions were summed up by Roy Crabtree, retiring president of the Cotton Institute of Canada, which held its annual meeting in Montreal last week.

"It is regrettable that the Tariff Board, while agreeing so much with the industry's case, suggests relatively little help.

"**Certainly the Board is to be congratulated on the sensible reorganization of the (tariff) schedule,** for reducing the number of items and for clarifying words.

"Yet disregarding minor rate changes either upward or downward . . . very little assistance is proposed even on bleached and colored fabrics where the Board suggests duty rates of 22½% (instead of about 20% now) when coming from Most Favored Nation countries, which includes the U. S.

"The changes which would result on greige (unbleached and uncolored) fabrics and on some yarns are less; on imports under the British Preferential Tariff the net effect is, if anything, a slight reduction," Crabtree said.

The cotton makers are also disappointed that the Board declined to take any position on the growing volume of imports from Asian countries.

While detailed treatment of this problem was not within the scope of the Board's terms of reference, cotton men had been hoping the board would take a look at imports from Asia.

"Imports of clothing and textiles from Japan totaled $22 million last year, five times what they were four years ago.

"**Surely this is proof enough that we must obtain recognition for a problem which increases** in seriousness with the passing of each month," Crabtree said.

He added since Japan acceded to GATT four years ago, 14 countries have used "escape clause" procedures to protect themselves against Japan.

On the matter of dumping, while thankful that the government has tightened up anti-dumping legislation, cotton textile makers feel the regulations have not been applied fully or to all types of goods.

"In fact they have had very little application in actual practice . . . perhaps because of vigorous protests from U. S. interests," Crabtree commented.

Left unsaid at the Institute meeting was a nagging fear shared by many that those tariff increases recommended by the Board will be a long time in being implemented by this government.

ANNOUNCEMENT

TORONTO GENERAL TRUSTS

THOMAS WILDING

The appointment of Thomas Wilding to the Board of Directors of The Toronto General Trusts Corporation is announced by the President, C. C. Calvin, Q.C. Mr. Wilding is a Vice-President and director of The Toronto-Dominion Bank and a director of several other Canadian companies.

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BUSINESS OPPORTUNITIES — Partnership wanted, economist, 7 years of Canadian experience, management and sales, future or established enterprise. Please state type of business. Box 867, The Financial Post, Toronto.

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WOMAN with administrative ability desires position offering initiative and responsibility. Would suit professional organization, management or personnel work. Box 888, The Financial Post, Toronto.

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ANNOUNCING

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A. E. LePage Ltd. (Toronto)—Clifford W. Rogers, appointed general manager.

American College Public Relations Association (Montreal) — Andre Bachand appointed representative Middle Atlantic district.

Bailey Selburn Oil & Gas Ltd. (Calgary) — R. G. B. Dickson, appointed director.

Bank of Montreal (Montreal) — Jack Pembroke, appointed director.

Brick and Tile Manufacturers Association (Toronto) — Wm. C. McGolpin, appointed president; J. W. Akam, vice-president.

Canada Malting Co. (Toronto) — D. W. Ambridge, appointed director.

Canadian Jewellers Association (Toronto) — Joseph L. Skinner, appointed president.

Canadian Retail Hardware Association (Toronto) — Angus T. Firth, appointed general manager.

Canadian Vickers (Montreal)—Maj.-Gen. A. E. Walford, appointed chairman.

Celanese Corp. of America (New York) — Maxwell W. Mackenzie, appointed director. He is president, Canadian Chemical & Cellulose Co., Montreal.

Charters Publishing Co. (Brampton) — Samuel R. Charters, appointed assistant to general manager; Alan H. Charters, assistant to sales manager.

Cluett, Peabody & Co. of Canada (Toronto) — Norbert G. Schmidt, appointed president.

Commercial Life Assurance Co. of Canada (Toronto) — A. F. M. Pronk, appointed managing director.

Consolidated Denison Mines Ltd. (Toronto) — Harry A. Willis, appointed vice-president.

Crown Trust Co. (London, Ont.) — Colin Brown, appointed to advisory board.

Dominion Steel and Coal Corp. (Montreal) — Crawford Gordon, Jr., appointed chairman; Allan C. MacDonald, vice-chairman and chairman of the executive committee; Albert L. Fairley, Jr., president.

Glidden Co. (Toronto) — S. H. Carter, appointed superintendent, Toronto plant; D. W. Houston, production manager.

Graduates' Society of McGill (Montreal) — Albert A. Tunis, appointed director of public relations.

Erie Resistor of Canada (Trenton, Ont.) — George F. Kempf, appointed vice-president and general manager.

Hill-Clark-Francis Ltd. (New Liskeard) — John P. Goulding, appointed manager property development department.

Household Finance Corp. of Canada (Toronto) — G. Hughes, appointed manager, Dartmouth, N.S.; V. H. Milsom, manager, Leaside, Ont.

Huron & Erie-Canada Trust (London, Ont.) W. Harold Clark, appointed to Toronto advisory board.

Huron-Erie Mortgage Corp. (London, Ont.)—Hon. L. O. Breithaupt, H. H. Leather, Max Meighen, all appointed directors.

Industrial Wire and Cable Ltd. (Toronto) — T. Harrison Smith, appointed general manager; Harold D. Percy, assistant general manager and works manager.

Jim Nash Associates (Toronto) — William J. Harrison, appointed senior projects director.

Maritime Telegraph & Telephone Co. (Halifax) — J. E. Richardson, appointed president.

National League Baseball Club of Milwaukee (Milwaukee) — A. D. McKee, W. A. Rose, D. C. Cannon, Canadians appointed directors.

National Masonry Co. (Rexdale, Ont.) — Charles N. Sarney, appointed sales manager.

Ohio Chemical Canada Ltd. (Toronto) — G. Victor Schlitzer, appointed general sales manager.

Pan American World Airways (Toronto) — William J. Higginson, takes charge of the Montreal office.

Pigott Construction Co. (Toronto) — J. J. Pigott, appointed vice-president in charge of operations; J. M. Pigott, Jr., manager Hamilton division; A. C. Schwenger, manager Toronto; M. V. Aykroyd, continues as manager of Quebec.

Purolator Products (Canada) Ltd. (Toronto) — Ernest R. Perkin, appointed vice-president.

R. L. Crain Ltd. (Toronto) — Allan O. Mackay, appointed director.

Royal-Liverpool Insurance Group (Montreal) — Hon. Robert H. Winters, appointed member of the Canadian advisory board.

R. P. Scherer Ltd. (Windsor, Ont.) — S. Ben Bowerman, appointed president.

Sicks' Breweries Ltd. (Calgary) — W. L. Shortreed, appointed general manager.

Simpsons-Sears (Winnipeg) — J. C. Paterson, appointed manager.

Southern Canada Power Co. (Montreal) — Paul Desruisseaux, appointed director.

Steel Co. of Canada (Hamilton) — William H. Whyte, appointed sales manager, tin plate division.

Toronto General Trusts Corp. (Toronto) — Thomas Wilding, appointed director.

Underwood Ltd. (Toronto) — William H. Yeates, appointed executive vice-president; Archibald J. Newlands, vice-president and assistant to the president; Walter I. Markle, vice-president and comptroller; C. Ford Lancaster, vice-president and secretary-treasurer; Kelvin R. Bell, vice-president and works manager.

Union Carbide (Toronto) — R. C. Flewwelling, appointed silicones manager for Bakelite Co., division of Union Carbide Canada Ltd.

Short Position Down at Mtl.

MONTREAL (Staff) — Short position on the Montreal Stock Exchange Feb. 15, 1959, was 12,725 shares in 22 issues, down 5,522 shares but up one issue from the position Jan. 31.

Among significant changes:

Abitibi	+150	Home A	—600
Aluminium	—3,052	Int Nickel	+450
Argus Corp	+105	Inter Pipe	+100
BC Forest	—100	Massey-Fer	—1,160
Dom Stores	+200	Trans-Can P	—630

Short position on the Canadian Stock Exchange Feb. 15, 1959, was 76,040 shares in 23 issues, down 9,615 shares and five issues from the position Jan. 31.

Among significant changes:

Arcan	+100	M&O Paper	—150
Bateman	+2,500	New Hosco	+400
Camp Chib	—200	N Myla'que	+500
Cent Del Rio	—600	St Law RM	—2,100
Con Denisn	+1,975	Wright-Har	—2,000
C Hallwell	+1,000		

Here is the actual short position on the Montreal Stock Exchange Feb. 15:

Issue	Shares	Issue	Shares
Abitibi	1,900	Hudson Bay	275
Algoma	250	Int Nickel	1,625
Aluminium	600	Interprov Pipe	100
Argus Corp	105	Massey-Ferg	780
B C Forest	500	Mtl Locomo	100
Can Cement	400	Noranda	100
Cdn Brit Alum		Que Nat Gas	140
A	150	Roe Canada	100
CPR	100	St Law Corp	150
Dom Stores	200	Simpsons	100
Dom Tar	1,350	Trans-Can P	3,500
		Triad Oil	200

Here is the actual short position on the Canadian Stock Exchange Feb. 15:

Issue	Shares	Issue	Shares
Arcan	100	Merrill Island	500
Barnat	2,000	New Hosco	5,800
Bateman	5,000	N Myla'que	21,700
Camp Chib	2,850	Opemiska Cop	1,400
Cent Del Rio	6,400	Orchan	7,500
Con Denison	1,975	St Law RM	5,600
C Halliwell	1,000	Steep Rock	900
C Paper	1,975	Trans Mtn	5,200
C Sudbury	1,000	Union Gas	1,000
Copper Rand	3,300	Un Asbestos	100
Ford A	240	Ventures	200
Frobisher	300		

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30 years old. Six years professional and three years industrial experience. Desires position with challenge and responsibility. Willing to relocate. Resume on request.

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MECHANICAL ENGINEER

OPC

10 years experience in plant management, design, estimating. Specialist in engineering construction.

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Immediate opening for a registered Architect having minimum of five years Canadian experience in the following:—

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Excellent company benefits, good starting salary, location Toronto.

Please apply in writing only to **Trans-Canada Pipe Lines Limited, 92 King Street East, Toronto 1.**

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Recently qualified Chartered Accountant in Engineering Industry with operating plants across Canada. Successful applicant would be required to spend up to one year in Montreal Head Office for training period before being transferred to position of greater responsibility in one of the operating Divisions. Age 27 or under. Salary open for discussion; pension plan and liberal fringe benefits. Apply in writing stating qualifications, experience etc. to

BOX 866, THE FINANCIAL POST, TORONTO

FIELD SUPERVISOR
FOR PENSION PLANS AND GROUP LIFE

Experienced sales and service representative with organizing ability required by life insurance company in Montreal which is expanding its sales activities in the Province of Quebec. To a man who has proven his ability in this field, this position offers a rewarding and challenging future. All replies treated in the strictest confidence.

BOX NO. 865, THE FINANCIAL POST, TORONTO

INDUSTRIAL CHARTERED ACCOUNTANT

With broad experience in senior managerial and financial capacity seeks to relocate. Interested in a financial or managerial position with an organization with growth possibilities where varied experience can be valuable to the management group. All replies in confidence.

Box 862, The Financial Post, Toronto

CONTROL SUPERINTENDENT

Ontario Kraft Mill requires a Control Superintendent. Applicant should be a graduate engineer with at least five years' experience in the Control Department of a kraft pulp and paper mill. Please send resume of experience to

Box 873, The Financial Post, Toronto

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MUST know Data Processing, Key Punch, Reproducing, Interpreting, etc., in IBM Systems (5-10 years). MUST supervise Programming and Processing, Production Scheduling, etc.

AGE 30-35. Salary OPEN

EXPERIENCED WRITER
for
PUBLIC RELATIONS DEPARTMENT
of National Manufacturer located in Toronto.

Daily newspaper or national magazine experience preferred—good initial starting salary in job with excellent growth prospects. Please send resumé with full details of age, education, experience and present salary to

Box 871, The Financial Post, Toronto

EXECUTIVE VICE-PRESIDENT

To take charge of Canadian operations of rapidly expanding international consulting organization. Required is a man of a very high calibre between 36 and 50, with a university education, preferably in economics, engineering or arts and who is used to relying on his own initiative. He should be prepared to make an initial investment of about $12,000 and may expect to make a very substantial and steadily increasing income. Location Montreal or Toronto.

Only applications containing full particulars will be considered. Strict confidence assured.

Box 891, The Financial Post, Toronto

STATISTICIANS

required by
Federal Government Departments
Ottawa

PENSION FUND STATISTICIANS—$7,500-$8,580
Dominion Bureau of Statistics—Competition 59-2301
QUALITY CONTROL STATISTICIAN—$6,360-$7,320
National Defence—Competition 59-2302
STATISTICIAN FOR HOSPITAL STUDIES—$6,360-$7,320
National Health and Welfare—Competition 59-2303

For details, write to

CIVIL SERVICE COMMISSION, OTTAWA

Please quote appropriate competition number or numbers.

ACCOUNTANT 24-28 EAST END

Opportunity for aggressive young man.
Must have interest in financial side of business, preferably with some university education with C.A. or C.P.A. degree or completing degree course in 1959. Excellent employee benefits, assured opportunity for advancement in internationally known manufacturing organization.
Reply giving particulars regarding age, education and experience. If possible please enclose a recent snapshot.

Box 870, The Financial Post, Toronto

OPERATIONS RESEARCH

Economics department of large processing company requires a MATHEMATICS GRADUATE with at least two years industrial experience. Initial responsibility will be optimization of process variables and mathematical solution of practical business and operating problems. This is a challenging opportunity as the company is intensifying its effort in operations research applications. Experience with computers desirable but not essential. Location: Sarnia, Ontario.

Submit, in confidence, complete resume of qualifications and salary requirements to

BOX 857, THE FINANCIAL POST, TORONTO

TOP CALIBRE MAN

Looking for a challenging position with a manufacturing concern that needs constructive management.
Sound practical experience in all phases of general management. Age 42, married, no family. If necessary willing to relocate.

Box 886, The Financial Post, Toronto.

CONSTRUCTION ESTIMATOR

Required for material take-off and estimating of industrial and commercial projects. Must have estimating experience, or be fully familiar with blueprint reading and construction. Salary depends on qualifications. Location—London, Ontario.

BOX 874, THE FINANCIAL POST, TORONTO

TECHNICAL WRITER

Maritimer, moving to Central Canada, will be available for technical writing assignments or full-time job.

Box 892, The Financial Post, Toronto

SYSTEMS AND PROCEDURES ANALYST

Large manufacturing company in S.W. Ontario with progressive attitude towards systems and procedure work, clerical automation, electronic data processing, etc., requires analyst with good educational and business background for its systems department.

Experience in clerical methods work is desirable, but genuine interest, aptitude, and a high potential for progress in this field are essential.

Candidates should state salary required and give particulars of education and courses taken, and of positions held.

BOX 883, THE FINANCIAL POST, TORONTO

PERSONNEL ASSISTANT

This newly created position offers a challenging future to a young man with practical experience in interviewing, testing and general personnel administration in the clerical field. The position is in the Montreal Head Office of a large financial organization. Our own employees are aware of this vacancy and all replies will be handled in confidence.

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TREASURY AUDITORS

required by
COMPTROLLER OF THE TREASURY
Department of Finance Toronto

$4,560 – $5,640

Candidates must have university graduation in Commerce, Business Administration, Finance or Accounting with three years of experience in accounting or auditing, OR high school graduation plus approximately eight years of accounting or auditing experience.

For details, write to

CIVIL SERVICE COMMISSION OF CANADA
25 St. Clair Ave. East, Toronto

Please quote competition 58-T2035. This competition is restricted to residents of Ontario.

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Department manager required by an engineering and sales organization known throughout Canada.

The successful candidate will probably be over 35 years of age with a degree in mechanical engineering and a superior sales and administrative record. He will be thoroughly familiar with the thermal power, industrial steam plant and shipbuilding industry in Canada and have demonstrated a capacity for loyalty, integrity and hard work.

To such a man we can offer a challenge, an opportunity, and a salary to match.

Responsible inquiries are invited in complete confidence.

Box 869, The Financial Post, Toronto

FINANCIAL EXECUTIVE

With several years' experience at senior level in administration, accounting, credit, banking, cost control, forecasts, taxes, etc., seeks opportunity where these qualifications can be used most effectively. Chartered Accountant and B. Comm. Presently living in Montreal but willing to relocate. Excellent references as to competency and ability to cooperate smoothly with associates, customers and other departments.

BOX 887, THE FINANCIAL POST, TORONTO

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TOP RANK INDUSTRIAL ADVERTISING MANAGER

Required for large progressive Canadian heavy engineering firm with branches throughout Canada. The man we are looking for must have had several years experience in Industrial Advertising: The ability to produce first-class technical copy: possess initiative and be a good organizer.

An engineering background desirable but not essential. Age between 35 and 45. For the right man this is an excellent opportunity for a permanent position with considerable scope. Salary commensurate with experience.

Apply by letter only and in strict confidence to Mr. R. J. Dunlevy, Vice-President, Industrial Division, McKim Advertising Limited, 2100 Drummond St., Montreal; who will pass all enquiries to their clients.

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Details of experience and qualifications can be obtained and a personal interview arranged by writing to

Box 855, The Financial Post, Toronto

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Write, in confidence, full details of education and experience to:

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REPLY TO: BOX 881, THE FINANCIAL POST, TORONTO

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Box 860, The Financial Post, Toronto

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1435 Lakeshore Rd., Toronto 14

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required by
Department of Defence Production
Ottawa

$8,340 – $9,420

The person selected will plan and develop production cost procedures having to do with procurement of weapons and weapons systems.

Candidates must be professional accountants with wide experience in cost accounting, including the design and installation of a new industrial accounting system or the major modification of an existing system.

For details, write to

CIVIL SERVICE COMMISSION, OTTAWA

Please quote competition 59-458.

CHIEF INSURANCE ACCOUNTANT

With possible promotion to Secretary-Treasurer required by young aggressive insurance company (Toronto). Must be thoroughly experienced in all accounting, bookkeeping, tax matters and be familiar with year-end returns and government requirements. Applicants with reinsurance experience preferred. Substantial salary and benefits.

Reply in writing, stating age and experience.

BOX 872, THE FINANCIAL POST, TORONTO

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Progressive manufacturing company, with plants in Western Canada requires senior administrative officer. He will preferably be between 30 and 45, have an accounting degree and several years experience in financial, administrative, costing and budgeting functions. He will work closely with the Secretary-Treasurer, who is a C.A.

Please give full details of training and experience, salary range, personal data, etc., and include a recent picture. Applications will be treated in full confidence.

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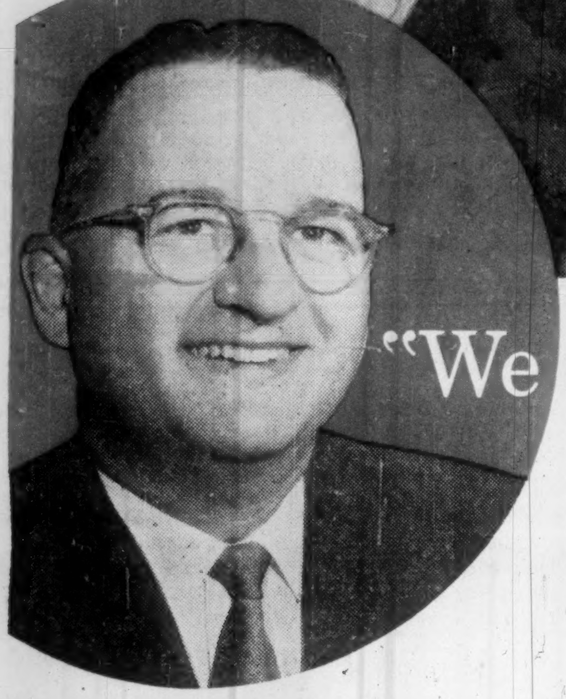

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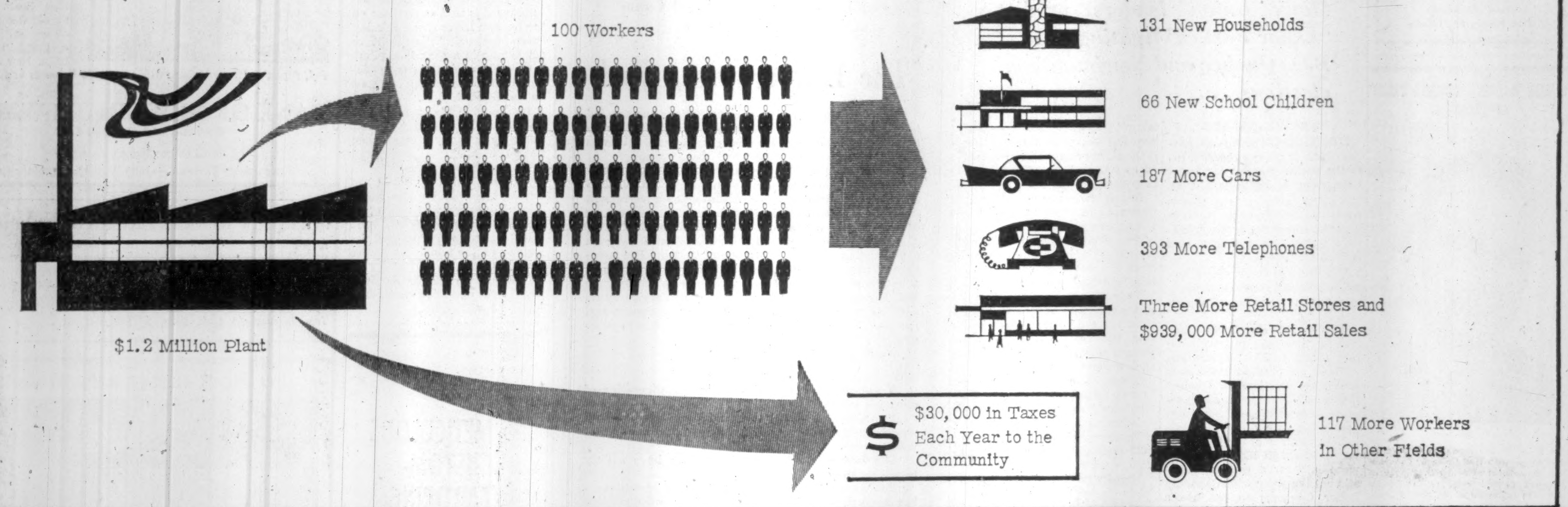
Vol. LIII | Member of Audit Bureau of Circulations | Publication Office: Toronto, February 28, 1959 | Twenty Cents an Issue, Six Dollars a Year | No. 9

What Does One New Plant Mean to a Community?



The Do's and Don't's of Industrial Promotion

Here's how to 'sell' your city, but don't expect more than one new plant every two years . . .

By Ontario Industrial Development Council

What constitutes a good industrial development program for a municipality? What type of organization is required? What will it likely cost? What results can normally be expected?

These and many other questions are being asked by communities across Canada and confusion exists in the minds of citizens as to the ultimate result of industrial development which they can reasonably expect in their community.

Unfortunately, there is no guidepost as to a relationship between costs, population, location, and other factors. This perhaps could indicate a need of a thorough study to be made of the situation, which might be a barometer for the guidance of communities which would give some assessment as to their possible success in an industrial development program.

First of all there should be a clear conception as to what is meant by industry, whether it is new or presently existing.

The generally accepted concept of an industry within the meaning of industrial promotion, is that of a company which manufactures a product which is ultimately exported from that community in order to bring in new money.

In other words, it does not depend upon local purchases for a successful operation. Companies such as lumber yards, machine shops, and other similar categories, as desirable as they are in a community, are usually not considered as industries, since they do not generate new money, but merely redistribute the money which already circulates in a community.

On the other hand, a manufacturer of automotive trim or other similar materials which is supplied to an automobile manufacturer in the same community, could be considered in the export bracket.

The Trade and Industry Department of the province of Ontario reported that, in 1957, 115 new industries were estab-

Your Province May Need Organization Like This

Keep an eye on the Ontario Industrial Development Council. Your area may need an organization like it, too.

It was formed (a) to encourage co-operation and a mutual exchange of ideas, (b) to stimulate and develop better industrial promotion and planning and (c) to foster the industrial growth of Ontario.

Its membership is limited to community industrial development officers "who devote 50% or more of their time to, and who receive at least 50% of their salaried income through community development activities."

lished in Ontario. The Ontario Chamber of Commerce reports a membership of 235 Chambers of Commerce in the province, and the assumption is natural that there are at least 235 communities represented, each of which undoubtedly is carrying out some type of industrial promotion.

A comparison of these two figures, however, shows that the best that could be expected of any community is one new industry every two years provided that the average held.

However, since some of the larger centres, such as Toronto, Hamilton, Windsor, and others, may obtain more than one industry every two years, this tends to reduce the odds for other communities obtaining an industry in any one year.

As a matter of fact, it is more likely to be in the neighborhood of one industry every three, four or five years, rather than one every two years.

What then can a community do under these circumstances?

Several years ago, an Ontario community made a spectacular record of obtaining new industries. This took place immediately after the war when many wartime restrictions were removed and when there was a different concept of industrial development, both from the standpoint of the municipality and from the standpoint of industry itself.

This spectacular success created a wave of industrial development organizations across the province.

In the interim, the attitude of municipalities and the attitude of companies themselves has altered considerably. For example, communities are reluctant to offer certain inducements such as tax concessions even if they wanted to, and reliable companies do not want them.

Industries have tended to spread over a greater area rather than to be concentrated in any one place. Even the community which compiled the previous record has been unable to duplicate it since.

The pattern usually followed by many smaller municipalities in industrial development is to start with a small group of enthusiasts who gather together some money, produce a brochure, send them out hither and yon, and then figuratively speaking, sit back to watch the industries line up on the right. Nothing can be further from actuality.

There are two other popular misconceptions of local industrial promotion program:

- The first is the view that by hiring a high-priced, high-pressure super-salesman, industries can be practically forced to locate in that area.
- The second is that if an Industrial Commissioner is advised of the name of a certain company which is considering locating in Ontario or Canada, he is incompetent if it does not locate in his area.

It is a mistake to endeavor to entice an industry into any area in which it is not suited. If the industry is properly organized it will recognize this immediately, and no amount of selling or persuading can bring it into any particular area where it would be uneconomical for it to locate.

Most industries look at several areas before selecting a final site, and the best that any Industrial Commission can do is to sell the particular advantages of his area, but the final choice lies with the company. It is spending its own money, and it has the right to spend it the way it chooses.

This is a right which most people recognize as being theirs when they are about to buy a house, a car, or a television, but peculiarly enough they seem to hold an Industrial Commission responsible when a company, in exerting that same right, locates elsewhere.

A few years ago industrial promotion consisted of acquiring cheap land, providing tax concessions, publicizing low labor rates, and other factors, which for the most part are completely different today.

Today companies in investigating sites require a great deal of factual data and no amount of glamorous publicity will hide undesirable conditions.

The more substantial companies do not wish tax or any other concessions, and regard them as a "snare and delusion for which ultimately they will have to pay."

So what constitutes a local industrial program?

Ontario Industrial Development Council recently conducted a survey of its members on various points. The Council discovered that there was no common practice in the basic organization from community to community.

Some were set up as committees of either the municipal councils or the Chambers of Commerce. Others were joint efforts. Still others were independent industrial commissions. It seemed to be that the local community established its own pattern.

A second point which was brought out was that in a medium-sized city, costs ran between $14,000 to $20,000 per year if a full-time operation was established.

The difference between the two amounts is made up by varying factors in different communities. Some provide quarters rent free. Others have higher salary accounts. Some allocated a considerable amount for traveling and advertising, and so on.

A third factor, which is an important one, is that there is no standard formula for success in industrial promotion, other than consistent effort, thorough preparation, adequate financing, patience, and other such considerations.

Some municipalities already have two strikes against them due to having acquired a reputation for high taxes, high wage levels, labor unrest, inefficient local government, and other factors.

Such communities become increasingly difficult to "sell" until the facts are proved otherwise, or the disadvantages are offset by equal or more desirable features.

Modern industrial development is not a question of employing a back-slapping, "hail-fellow-well-met" person, but rather it is the work of one with a pleasing personality who has the ability of doing some studious research and presenting the facts in a forthright manner.

Much of his time is required to be spent on public relations, reading periodicals, and being on the alert for new developments. Some of his most important efforts never show publicly.

Industrial Commissioners in Ontario feel that in finances there might be a point of diminishing returns. That is to say, if a present effort costs $15,000 a year, and the community has been obtaining one or two industries a year, mere doubling the financial arrangements may not necessarily mean that double the results will be obtained. On the other hand they might easily triple. There is no real answer on this point.

There is a trend today for communities to group together, thus lightening the financial load of any one. A good industrial development program, centred in one area, accrues benefits to a considerable radius around it.

Therefore, it would be logical for a group of communities in an economic area to band together into an area promotion program rather than to attempt to do it individually on a smaller scale.

If a community, through an industrial development program over a period of five years manages to increase the industrial payroll of an area by 100 employees, the following benefits will carry on in that community each year as long as these employees continue to work.

A building or group of buildings totalling 50,000 sq. ft. to 75,000 sq. ft. would be required, and since it costs between $12,000 to $15,000 to equip each workman with plant and machinery, there would be $1.2 million to $1.5 million capital construction involved before production begins.

The community would receive approximately $30,000 in taxes yearly, depending upon the tax rates and method of assessment.

Also in a recent survey undertaken, including nine communities in Ontario and Quebec, it was found that 100 additional manufacturing workers meant the following to their community: 427 more people, 131 more households including furniture, heating apparatus, appliances, etc., 66 more school children, 187 more motor vehicles, 117 more workers employed in other fields, 393 more telephones, three more retail establishments, and $939,000 more retail sales.

While the bulk of those receiving the benefits of this extra spending are retail establishments of various types, additional requirements are needed for services in the teaching profession, barbers, milkmen, breadmen, and many other categories not normally considered.

Many retailers and professional groups are prone to overlook the source of their prosperity in the community.

Two major sources of new money to any community come from industrial operations and visitors, such as tourists, convention delegates, salesmen, and visiting executives.

The ratio of these two activities in any community vary with its natural attractions. In the case of a popular tourist community the percentage of the tourist dollar is considerably increased.

Other than tourist income and manufacturing income, most other groups are service groups and merely re-circulate the dollar in a community, but do not generate it.

As a result, in the minds of many of those who come under the "service" category, there is a failure to appreciate that their prosperity emanates from one or the other, or both, of these two activities.

Their apathy is one of the problems of industrial and other promotion in any community.

Industrial promotion is not always glamorous. It is frequently frustrating and disappointing.

The most successful local organizations are those who arrive at a realistic assessment of themselves, their finances, their resources, their defects, and their probable percentage of success.

After having analyzed their local situation with understanding, they should proceed with patience, persistence, and conviction.

A completely successful program in industrial promotion is founded on the premise that every citizen is interested in and will work for the development of the area.

How to Attract Industry: Here's 12-Tip Check List

Ontario Industrial Development Council has agreed upon 12 pointers for the guidance of municipalities who are in industrial work, or who are contemplating industrial work:

1. **Recruit a group of citizens** who are prepared to work for at least five years on an industrial promotion program. It should be kept as free as possible from political influence. They should take a realistic view of the percentage possibilities of success.

2. **Compile statistics** and other data on your community. Study and be familiar with the unfavorable conditions as well as the favorable. Endeavor to eliminate, reduce or offset the unfavorable aspects as much as possible, but never deny them.

3. **Have all data on** sites, taxes, present industry, services available, etc., in a concise form. It need not be in a glamorous brochure but it should be up to date and factual.

4. **Cultivate others** who are in industrial development fields such as representatives of banks, government, railroads, etc., and let them know you are working actively.

5. **Secure lists** of companies in Canada, the U. S. and elsewhere and search through them for the types of industries which would fit into your community. In this way you pinpoint your efforts rather than to scatter them.

6. **Do not concentrate on "large" industries necessarily.** Many small ones are very good prospects and would tend to make industry in your community diversified.

7. **Never overlook your present industries.** Perhaps you could help them expand by assisting them to secure additional acreage, to obtain new lines of manufacture, to contact some company which can supply them with basic goods or purchase their own products or by-products and so on.

8. **Be sure that your area is planned** and that the planning is protected by zoning bylaws. Industry hesitates to establish in unprotected areas.

9. **Forget about concessions** and other similar considerations. A good industry does not want them. It is more important for you to plan your work on the basis of knowing what industry wants rather than on what you think they want.

10. **Do not be disappointed if tangible results** do not come at once. It is a long-term project and must be well-planned.

11. **If you feel you can afford to hire** an Industrial Commissioner, give him a free hand. In many smaller communities, however, others such as civic officials, Managers of Chambers of Commerce, and others can do a good job for the municipality.

12. **If industries come into your community** through agencies other than the Industrial Commission, be happy and be appreciative. It probably happened because your community is geared to a good industrial program and perhaps also your Industrial Commission, without knowing it, supplied the basic, necessary information to them through some other source.

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The Huron & Erie Mortgage Corporation and The Canada Trust Company announce the appointment of Arthur H. Mingay as assistant general manager in Toronto upon the retirement of W. Harold Clark, assistant general manager there since 1955.

Mr. Mingay joined the companies in 1958 and has served in various capacities in a number of the companies' offices, latterly as manager of the Pension Trust Division in Toronto.

Labor Moving Into Politics Faster Now?

Many union leaders predict "Labor Parties" fighting in next B.C., Quebec and Newfoundland elections . . .

By CLIVE BAXTER

MONTREAL (Staff)—Organized labor is being propelled into the political arena far faster than many of its leaders want.

Violent attacks on unions were made recently almost simultaneously by leading politicians in Newfoundland and British Columbia.

The Quebec Government too, while less outspoken, has strong enemies in the ranks of unionism.

The result, many top union men feel, has been to drive labor into direct political opposition.

Many are predicting the next provincial elections in Quebec, B.C., and Newfoundland will see some form of Labor Party competing for votes.

Last summer at the CCF convention held in Montreal plans were laid for a gradual affiliation of the party with Canadian Labor Congress to produce a labor party something like the present British party.

For the record union leaders have been enthusiastic about such a step.

Their argument: Organized labor today plays a key — and growing — role in national life; it should therefore be represented as a body in Parliament and provincial legislatures.

In fact, however, many union men are unwilling to be tied to voting as a group.

They would rather throw their weight — as individuals — behind whichever party seems to offer the best platform.

They don't consider themselves members of "the working class" in the British sense, and fear that any excursion into politics as a group would create such a mentality.

These leaders have no desire to take an active part in politics but would rather be wooed by existing parties.

However, the voices of these hold-outs are much weaker than they were even a year ago.

Rightly or wrongly, feeling in labor circles is that Newfoundland Premier Smallwood and Quebec Premier Duplessis are directly antagonistic to unions — and the B. C. administration is getting that way.

"During the past few days," one senior labor official told **FP**, "both Smallwood and B. C. Public Works Minister W. N. Chant have let fly against labor. Smallwood is actively supporting a company against a union that has stuck to all the labor laws of the province and won its case before a provincial conciliation board.

"Chant took it upon himself to attack labor in general, calling some union leaders bootleggers, gamblers and racketeers.

"We don't plan to stand aside without fighting such men. Duplessis is another who uses his power to back management against labor."

That view may be one-sided but it is typical of labor thinking. And, certain union men feel, the only way to fight politicians is through entering politics.

Initially such a step, it is generally felt, would only be along the lines of straight opposition to existing parties and policies.

Labor planners recognize it would take some time to set up organizations strong enough actually to win an election.

It is the next step that troubles most planners. If the new labor party is to assume power — or even come close to it — a distinctive policy must emerge as a rallying point.

On the provincial level—particularly in B. C. — a labor party with agreed aims would be much easier to build than is the case nationally.

Growing, as it is, from the badly lacerated ranks of the CCF, a new labor party inherits some highly incompatible ingredients.

The farm vote has long supplied much of CCF's power, yet a labor party would be expected to champion the views of industrial workers. Can they be merged into one force that pleases both factions?

All but a few of the most rabid supporters of the labor party ideal have conceded it will take a long time and much talking before an answer emerges —if it ever does.

Now labor feels the time is running out.

Conscious of its new power, organized labor is hot under the collar about what it takes to be unwarranted attacks from some political quarters.

The sentiment to jump into the political fray threatens to overpower the desire for a slow and cautious advance.

BROADLOOM or BOARDROOM

WHETHER it's a matter of choosing just the **right** carpeting for your living room or designing and supervising a complete interior for an office or club — **we're** the people to give you the sort of service that, up to now, has existed only in your fondest dreams. We're prepared to advise you on those new draperies — or redecorate complete. Quotations without obligation, of course.

ARNOLD J. TEOLIS & COMPANY
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If you were the judge, how would you have decided this real Canadian court case?

The Lawyer was a Red

Mr. X had passed his bar examinations and applied to the Benchers of the law society for admission as a barrister and solicitor. He was refused because he was a communist.

He appealed to the Court of Appeal: "I am a communist. However, I have not been guilty of subversion nor have I endeavored to overthrow the government. A person who believes in Marxian-communism can be of good repute and a good Canadian citizen."

The Benchers asserted: "Communism is a direct contradiction of our governmental system. The presence of communists weakens and destroys our society. A communist is not a fit and proper person to practice law. His beliefs are founded in one faith which by its very nature is intended to destroy our governmental system. This man is not a fit and proper person to practice law."

Would you admit him to the bar?

A communist is dedicated to the disintegration of our basic tenets of society.

Therefore, his loyalty to Canada and Canadian laws would be reduced by his loyalty to the concept of world revolt.

The Benchers acted correctly. They have a duty to protect the public.

This applies not only against dishonest practitioners but against those who by their beliefs must attempt to destroy the rights and privileges of Canadian citizens.

Based on a decision of the Court of Appeal, British Columbia.

By H. T. G. ANDREWS

Copyright, 1959, The Financial Post.

Quebec Hydro Plans More Power Sites

MONTREAL (Staff) — New expansion is being planned by **Quebec Hydro - Electric Commission.**

This is true even though the crown agency is hurrying two big waterpower projects to completion.

Premier Duplessis has indicated that the next site for development is that at Carillon on the Ottawa River about 50 miles from Montreal. This might be 600,000 hp in a peak load plant.

Observers say the supply-demand situation justifies a start on Carillon this year.

It's possible that a project at Lachine will follow Carillon. Probable capacity there would be 900,000 hp.

Meanwhile:

- **The first unit** (171,000 hp) of Bersimis No. 2, on the North Shore, is expected to be completed this summer. The second (of five) may be finished by year's end, the remainder before 1961.
- **All eight units** in Bersimis No. 1 are operating now. The total: 1.2 million hp.

METICULOUS CUSTOM-TAILORING

for correct fit, well groomed appearance and comfortable ease

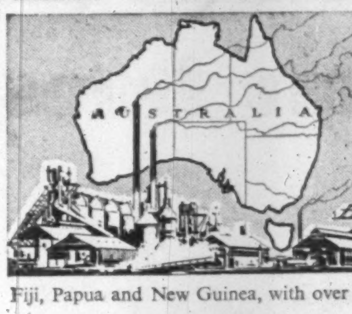
• • •

Custom made shirts — smart and exclusive. Ties in harmonious good taste.

Lloyd Bros.
69 WEST KING ST., TORONTO

AUSTRALIA OFFERS opportunities for industries

With its rapidly expanding local market and proximity to South-East Asian markets, Australia continues to provide opportunities for industries.



If you are interested in Australia and require industrial, economic, or market information, you are invited to use the comprehensive facilities of the Bank of New South Wales, the oldest and largest commercial bank operating in Australia, New Zealand, Fiji, Papua and New Guinea, with over 1,000 branches and agencies.

BANK OF NEW SOUTH WALES
ESTABLISHED 1817
Head Office: Sydney, Australia
International Division — John W. McEwen, Manager.

Newlands to Sell Lawford Fabrics

A joint merchandising agreement, just completed, will permit **Newlands & Co.** of Galt, Ont., to produce the fabrics and yarns of **Lawford Fabrics Inc.** of New York.

The 75-year-old Galt firm, a major supplier of machine knitting yarns in Canada, plans to enter the woven fabric field aggressively, said President George H. Dobbie.

The Lawford firm was founded five years ago.

ANNOUNCEMENT

WARNOCK HERSEY APPOINTMENTS

MICHAEL ROWE

ERIC GRIFFIN

The Warnock Hersey Appraisal Company Ltd. announces that Mr. Michael Rowe has been appointed Vice-President responsible for the direction of the Company's appraisal and assessment operations. Mr. Eric Griffin has been appointed the Company's Toronto Representative and assumes this position immediately.

Skog says...

"TV or not TV?— that's the question."

You hear a lot about the terrible effect TV is having on children. I'd like to put in my two cents worth for the other side of the question. Take the argument about TV interfering with such activities as reading. If this is true, then why do public libraries all over Canada report a sharp rise in book withdrawals since the advent of TV? And where has the sharpest rise occurred? In the children's departments. I hold that TV has stimulated children's mental activity, opening fabulous new worlds of interest to them.

Another thing—TV encourages family unity. Being together is a mighty important thing for any family. I suppose that most of us are happiest at times like this, when we share our experiences with one another.

That's why it's so important to take every measure possible to keep your family together always. It's only sensible to make sure you have the proper insurance to implement this aim. The North American Life & Casualty Family Plan is intended to protect the family group. It covers father, mother, and all the children (even those yet unborn) with just one reasonable premium. Insure the kind of family living that lets you relax together in confidence. Come in tomorrow and find out all about our Family Plan. See you soon.

Confidently,

H. P. Skoglund
H. P. SKOGLUND,
President

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NORTH AMERICAN
Life and Casualty Company
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CANADIAN HEAD OFFICE — Hamilton, Ontario
Offices in Toronto, Winnipeg, Regina, Calgary, Edmonton, Vancouver

• 59-4

Company Reports

Engineering

FLUOR CORP. OF CANADA sales in year ended Oct. 31, 1958 amounted to $4,529,654, down 77% from the year before's $17 million.

Company entered its current fiscal year with virtually no backlog compared with $11 million in uncompleted orders 12 months earlier.

Projects undertaken during the fiscal year ending in October were on a competitive and reduced fee basis and of lesser magnitude as well, according to its parent company, **Fluor Corp.** of Los Angeles.

Among projects completed during the year were a low pressure coking unit for **Consumers Co-operative Association** at its Regina refinery and a compressor station for **Trans-Canada Pipe Lines.** Work was started on off-site facilities for the new **Irving Oil** refinery at Saint John.

During the year, company formed a new division, **Fluor Products Co.,** which completed four large cooling towers. The division is also handling Hartmann conveying equipment.

H. G. Acres & Co., Niagara Falls, Fluor's Canadian engineering affiliate reports sales of $6.5 million during the year ending Oct. 31. It expanded facilities by adding a hydraulic and geotechnical laboratory. Its major project during the year was the completion of Strathcona Power Development for the **British Columbia Power Commission.**

Parent company's consolidated sales were $120.5 million, down from the previous year's $152.4 million. Net profit was $1.9 million ($2.6 million).

Metal Products

ROBERT MITCHELL CO., Montreal, consolidated net profit for year ended Dec. 31, 1958 amounted to $109,573, down from the year before's $265,328. Dividends amounting to $167,900 were paid during the year ($55,966 a year before) leaving a deficit of $58,327 as against the year before's surplus of $209,362.

Although operations at company's **Prowse Ltd.** division continued at a reasonably high level, prevailing industrial conditions meant that the **Garth Co.** division ended the year substantially lower in volume and profit, states S. C. Holland, president and managing director.

Company's own general factory division has reduced dependence on railway passenger car demands — which were again lower in 1958. Total requirements from all sources were not sufficient to sustain high-level operations, however.

Operations in **Douglas Bros.** division were adversely affected by lessened demands from the pulp and paper industry in particular and from other segments of Canadian business which had retrenched during the year.

Potential savings in operating costs include consolidation of activities at company's St. Laurent location.

Company's liquid position was strengthened with inventories reduced to $1.6 million from $2.5 million; bank loans of $535,106 eliminated and accounts payable lowered to $581,155 from $855,915.

Cash funds were also applied against the first mortgage loan to the extent of $127,897.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Net earnings	$373,399	$642,141
Less: Deprec.	127,700	142,500
Mtge. interest	44,192	35,266
Prov. for inc. tax	91,934	199,047
Net profit	109,573	265,328
Less: Dividends	167,900	55,966
Surplus for year	♦58,327	209,362

♦Deficit.

Earnings per Share and Dividend Record:

	1958	1957
Cl. A: Earned‡	$0.49	$1.19
Earned§	†	1.09
Paid	*0.75	0.25
Cl. B: Earned	†	0.69
None paid.		

*Arrears on class A shs. at Dec. 16, 1958, amounted to $1 per share.
‡Before (§after) participation.
†None available after participation.
●None available.

Shares o/s as at Dec. 31:		
Class A, n.p.v.	223,866	223,866
Class B, n.p.v.	223,866	223,866

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1958	1957
Cash	$255,113	$58,107
Mkt. secs.♦	31,360	31,360
Accts., etc., rec.	1,944,019	2,129,998
Inventories	1,573,120	2,489,466
Total curr. assets	3,803,612	4,708,931
C.s.v., life insur.	35,469	36,316
Misc. assets	4,247	3,655
Fixed assets	3,623,275	3,939,421
Total assets	7,466,603	8,688,323
Due bank		535,106
Accts., etc., pay.	641,537	986,218
Inc. tax. pay.	32,507	88,743
Total curr. liab.	674,044	1,610,067
Mtge. loan	592,102	734,000
Def. pension fund contrib.	101,912	187,897
Deprec. res.	2,187,723	2,224,300
Capital stock	1,164,390	1,164,390
Earned surplus	2,746,432	2,767,669
♦Mkt. value	27,760	29,440
Working capital	3,129,568	3,098,864

1958 Annual Report

Assets we administer for individuals, associations and corporations increased by $401 million in 1958 to $2,166,000,000 — a new record of achievement in the trust field in Canada.

Earnings	$9,794,000
Expenses	$7,379,000
Profit	$2,415,000
Taxes	$ 937,000
Net Profit	$1,478,000
Dividends	$ 697,000

CAPITAL, RESERVE AND SURPLUS
$12,205,000

ASSETS UNDER ADMINISTRATION
$2,166,000,000

Board of Directors

*Ross Clarkson, *Chairman of the Board*
*Jack Pembroke, C.B.E., *President and Chairman of the Executive Committee*
*James A. Eccles, *Vice-President*
*B. C. Gardner, M.C., *Vice-President*
Gordon R. Ball, *Vice-President*
John M. Wells, *Vice-President and General Manager*

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THE ROYAL TRUST COMPANY

Join U. S. In Cut-Rate Trade Deals?

Canada will have to look closely at giveaways, if we want to stay in the export business . . .

By C. KNOWLTON NASH

The cut-rate deal has come to stay in world farm markets.

This is an unpalatable fact of life which Canada is going to have to swallow whether we like it or not. The only choice we have is to try to "lick 'em or join 'em."

That seems to be the inevitable conclusion following a canvass of opinion by **FP** among Canadian, U. S. and international economists, diplomats and politicians.

Although the much-publicized U. S. farm surplus disposal programs have been described repeatedly by Washington as "temporary," this is no longer true.

The bargain basement approach on pushing U. S. farm surpluses into the world market is going to be with us at least for the next decade, and probably the next several decades; in fact, as long as the cold war lasts.

This, therefore, means a revolution is necessary in the way Canada sells wheat and other farm commodities in the world market. Without a revolution, our markets will be nibbled away by the U. S.

Also it may not be too soon for a long range warning to be voiced that the cut-rate deals made in the farm field, **might one day apply to U.S. exports of industrial goods.**

Russia has made an offer to accept local currencies for industrial exports, and the idea is getting a critical once-over in the U. S.

The key question in the new type of farm trade is, can Canada afford to "lick 'em"?

Can we afford to take foreign currencies instead of dollars for our farm products, grant 40 and 50 year loans, accept barter deals and make wide giveaways?

The cost is fabulous.

In the last half dozen years, the U. S. has poured somewhere in the neighborhood of $12 billion worth of surpluses into the world market.

Much of this will wind up as a straight loss to the U. S. treasury.

While 175 million taxpayers may be able to afford this, Canada's 17.5 million would have a much more agonizing time.

One high U. S. authority who is playing a key role in the future of surplus disposal programming, **suggested to FP the only way out for Canada is to join the U. S.** "You can't possibly beat us, you've got to join us," he said.

He offered the tempting suggestion that perhaps some deal could be worked out whereby the U. S. would pay Canada for surpluses we push into the world-market to aid in cold war politics, or at least pay for any losses.

It is important to realize that U. S. farm exports have been riding the subsidy bandwagon ever since the end of the war.

At first billions of U. S. dollars in foreign aid moved farm surpluses over to Europe right after the war.

As foreign aid to Europe began phasing out, some other way had to be found to maintain this high level of farm exports.

It was found in the decision to accept foreign currencies instead of dollars, make barter deals, triangular deals and giveaways.

There is no chance whatever that this subsidy will be given up, even though the Eisenhower Administration has insisted the current program is "temporary."

The President, himself, acknowledged this fact for the first time in public, in his recent farm message. He said he was calling a meeting of surplus-producing nations in order to use "food for peace."

What he wants is a kind of world-wide Public Law 480 program.

He wants Canada, Australia and similar nations to do exactly what the U. S. is doing in making the special deals.

His proposal is cloaked under the protecting wing of cold war politics.

A man with an empty belly is a potential communist, so let's fill his belly, is the Washington reasoning.

And it may be sound reasoning, too, from the standpoint of cold war politics.

However, it must be recognized at the same time, that such a call to arms means in large measure abandonment of the old idea of buying and selling farm products in the world markets for hard cash on the barrelhead.

There is almost unanimous support for this "food for peace" idea in the U. S. Congress.

Half a dozen bills have been dumped into the Congressional hopper already to make the surplus disposals a permanent part of American foreign economic policy.

Other bills propose the U. S. join with other nations in this project.

There are a number of obvious advantages for Washington in this new line:

- **It would tend to insulate the surplus** disposal programs from foreign criticism such as Washington has had from Ottawa.
- **It would have obvious cold war benefits** for the West.
- **It would have great** humanitarian appeal.
- **It would**, incidentally, help get rid of farm surpluses.

The latter point has sunk to the last objective in the whole scheme of things whereas it was point number one when the program was started.

What also is seldom noted is that if you have a permanent program which needs farm surpluses over and above normal commercial sales, this means an incentive for extra production is needed. And this means high price supports.

For this reason, most of the Democrats and all the farm belt Republicans support the idea of making surplus disposals a permanent part of the U. S. foreign economic policy.

It would provide a permanent high subsidy for U. S. farmers in the same way that the huge military expenditures now subsidize the aircraft industry, the electronics industry, etc.

This call for "food for peace" comes almost straight out of a report made recently to the State Department on the operations of Public Law 480, the surplus disposal legislation.

In the report, John H. Davis, State Department advisor, suggested other nations have similar programs and added:

"If the governments of the other exporting countries were fully consulted, not just on operational problems that arise but on the whole strategy and policy of maximizing the benefits from the non-commercial use of surpluses without disturbing commercial operations, they might co-operate not only in making the U. S.-sponsored program a success but even by participating on some basis with a related program of their own.

"The initiative for such consultation could appropriately come from the U. S. in the form of an invitation to other countries."

Agriculture Secretary Ezra Taft Benson, tired of Canadian criticism, thought such a call would help avoid that; Under Secretary of State C. Douglas Dillon, anxious to bulwark the western cold war position in the Far East, thought it would help this; and Don Paarlberg, the President's economic advisor, a Mormon, spurred by humanitarian motives, thought it would help set up national reserves in countries like India.

They combined to sell the idea to the President and in the selling, killed all thought that the program would be "temporary."

While this Administration has been moving ahead hesitatingly on the idea of a multilateral, or at the minimum, a co-ordinated bilateral program of surplus disposal, Canada can expect a big spurt after 1960.

If the Democrats win, there will be great enthusiasm for the "food for peace" idea with specific proposals galore.

If the Republicans win the Presidency that year, whoever occupies the White House will be more liberal than Eisenhower and hence more favorable to the idea.

Whatever happens in the November 1960 elections, the "food for peace" idea is here to stay.

He Started It Can't Stop It

This man's name is Gwynn Garnett.

Most Canadians have never heard of him, and yet he is the man who started the whole U. S. surplus disposal program.

Back in 1953 Garnett was director of foreign trade development for the American Farm Bureau Federation, the powerful right wing farm group in the U. S.

Gwynn Garnett

He evolved a plan to help get rid of U. S. farm surpluses by accepting local currencies instead of dollars and he convinced the Republican administration to make a test.

Section 550 was tacked on to the Mutual Security legislation which called for the expenditure of $250 million in helping to move U. S. surpluses into the world market.

The idea was an immediate success.

The next year, it was fully expanded into what is known as Public Law 480, and has been zipping ahead ever since.

Now, however, Garnett and the top brass of the Farm Bureau are unhappy about the program because they fear the heavily subsidized exports will help continue the need for high price supports which produce the surpluses. They are trying to convince their members and the government to phase out the whole thing. They have little chance of success, however.

As a reward for his idea, Garnett was named head of the U. S. Foreign Agricultural Service and later quit to enter private business.

U. S. Builds Up Big Balances With $12 Billion Giveaway

From Our Own Correspondent

WASHINGTON, D.C. — The U. S. has pushed into the world market in the last five years something like $12 billion worth of farm surpluses.

Exact figures are impossible to find since the complicated bureaucratic bookkeeping confuses rather than clarifies.

The president, however, has said that under Public Law 480, the U. S. has disposed of more than $7.5 billion in the last four and a half years.

Under the Mutual Security legislation Sections 550 and 402, somewhere close to $1.5 billion worth of surpluses has been planned for the world market.

And under competitive bids in which the U. S. government pays the difference between domestic and export prices, around $2 billion worth of cotton has been shipped abroad.

In addition every bushel of wheat exported by U. S. goes out under government subsidy.

The $12 billion-plus worth of surpluses will not all be dead loss to U. S. Some was exported for dollars at below U. S. prices.

Other surpluses were paid for in local currencies, most of which were automatically loaned back to the buying country for economic development.

On barter deals, the commodity the U. S. got in exchange is piled in the federal strategic materials stockpiles. The loss to the Treasury, however, still runs into the billions of dollars.

In almost all these deals, the U. S. has had to pay for the shipping, as well as making the cut-rate deal.

Through the surplus deals, the U. S. has piled up huge bank accounts around the world of piastres, yen, pounds, drachmae and rupees.

Some of it is spent building military housing, embassies and other U. S. construction.

Some goes into market development for trade fairs, to give away samples, etc. And some of it goes for loans to U. S. and foreign private enterprise.

meet a man who can help your business

Your Long Distance Representative can help you to

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Here's a man who can make suggestions based on the successful experience of thousands of companies—in all lines of business, in all parts of the country. He's ready to see you. His advice and help are yours for the asking.

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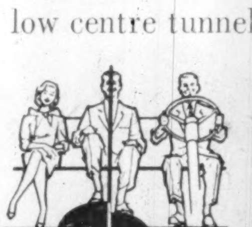
Nation wide Telecommunication Service

RELAX *. . . and let yourself go, Canadian style*

The distinctive, broad-shouldered good looks of Monarch Mark II are unmistakable. And the handsome appearance is matched by the superior quality and craftsmanship which is so apparent in the elegantly appointed interiors. As well, there are new dimensions of spaciousness—Monarch Mark II is a six-passenger car in every respect. A new low centre tunnel means that passengers in the middle seat have exceptional knee and legroom—space to stretch out and enjoy the luxurious ride. Choose from two distinctive rooflines: the sleek sweep of the Cruiser or the straight-lined styling of the sedan shown below. Three superb series priced to invite *you* to the adventure of fine-car ownership: LUCERNE, your most economical fine-car value; RICHELIEU, brilliant performance and distinctive styling; SCEPTRE, crowning achievement in elegance.



Monarch Mark II Richelieu four-door sedan; one of eight distinctive models in three superb series

MARK OF DISTINCTION ON THE CANADIAN ROAD

MONARCH MARK II

FORD EDSEL MONARCH

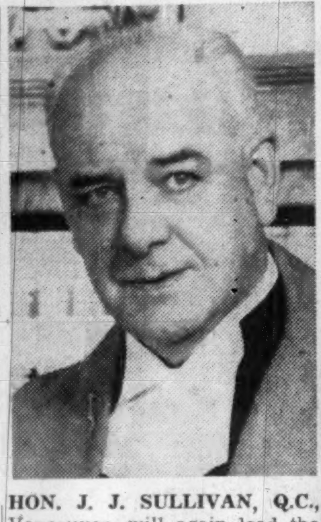
YOU ARE INVITED TO SEE YOUR DEALER

Certain features illustrated or mentioned are "Standard" on some models, optional at extra cost on others.

They Lead Red Cross Fund Campaigns Across the Nation

C. D. SHEPARD, QC, Toronto, is the 1959 national campaign chairman of the Canadian Red Cross appeal. He is general counsel of the **British American Oil Co.** with headquarters in Toronto. Mr. Shepard headed the Manitoba campaign before his appointment as national campaign chairman.

ARISTIDE COUSINEAU is the new general chairman of the 1959 Canadian Red Cross appeal campaign of the Montreal and metropolitan area. A native of Montreal, Mr. Cousineau is president of **Rene-T. Leclerc Inc.,** as well as of several other Canadian corporations.



HON. J. J. SULLIVAN, Q.C., Vancouver, will again lead the British Columbia campaign. Mr. Justice Sullivan was elevated to the Supreme Court of British Columbia in 1956 and has been active in many community projects in New Westminster and Vancouver.

FREDERICK E. SPOONER, Calgary, will again head the Alberta appeal. He is honorary treasurer and chairman of the Alberta Red Cross finance committee and has been active in Red Cross work for many years. He is a former president of the Lethbridge and Calgary Rotary Clubs.

M. J. MERCER, M.A., is chairman of the Newfoundland Division campaign. Mr. Mercer is well known throughout the province as Collector of Customs and Excise at St. John's, and as Registrar of Shipping for Newfoundland. He brings much knowledge and experience to this voluntary post.

A. W. FOWLER, Halifax, will be 1959 campaign chairman for Nova Scotia division of the Canadian Red Cross Society. Mr. Fowler is manager of the **Royal Bank of Canada,** Halifax. He has served as treasurer of the Colchester County Red Cross branch and been active in campaigns for many years.

Sheldons Air Equipment

specifically engineered for air moving and conditioning needs

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Air Conditioning Unit

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Montreal	REgent 8-4739
Ottawa	CEntral 2-6411

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STERLING?

If you are a recent settler from Britain, and hold Blocked Sterling assets, or if you have received a legacy from a resident of Britain or the sterling area, you are invited to consult any branch of Imperial Bank of Canada regarding the transfer of such assets to this country.

Our services and specialized knowledge of United Kingdom and Sterling Area regulations affecting securities and blocked sterling balances are freely available to assist you.

Your enquiries are invited at any branch of Imperial Bank of Canada from coast to coast.

IMPERIAL
the BANK that service built

with which is amalgamated Barclays Bank (Canada)

80-7

What's New

New products, new uses, new ideas, new money-makers. We report them here and invite your contributions. Write to 481 University Ave., Toronto.

No More Drudgery

The most complex chart material can be typed on new chart typewriter, the manufacturer claims. Keyboard has normal upper case alphabet and figures, but instead of lower case letters the machine has 27 different chart symbols. All chart symbols are in shift position, so no shifting is required when either "chart-typing" or regular typing. With carbon ribbon adjustment, material typed is ready for offset printing production.

* * *

Mouth-to-Mouth Rescue

Developed by Saskatchewan doctor, device for on-the-spot artificial respiration will soon be marketed in Canada. It overcomes the problem of getting people to use mouth-to-mouth method of reviving a person who has stopped breathing. The device, called an airway, hooks over the tongue, a mouth guard fits over the lips and air is blown into victim through tubes.

* * *

Light Your Way

New sealed beam car headlamp directs light up to 50 ft. farther than regular lamps. Introduced by **General Motors,** lamp is designed as replacement part for autos without four-headlamp system and is interchangeable with headlamps of all cars with two-lamp system. The lamps would give car 100 watts on low beam, increase of 20 watts from previous system.

* * *

Canadian Handicrafts

Northeastern Canada is source of miniature sealskin figures, now being introduced as a novelty set including a mother, father and baby seal. The Arctic seal skin is hand sewn. Other seal skin novelties also being made include slippers in variety of colors and full, wearable sizes.

* * *

Fire Detector

Non-electric fire alarm said to simplify fire detection at reasonable cost. It is powered by Freon gas, has no moving parts, batteries, wires or springs to wind. When fire strikes, hotter temperature sets off loud continuous warning sound for 15 minutes.

* * *

Back Saver

Three-unit dolly kit saves both time and workers' backs, claims manufacturer. Designed for appliance dealers, service men and motor carriers, kit consists of two dollies and pry bar which can be used in crowded, small spaces where conventional moving dolly cannot be placed.

* * *

New Literature

Complete adding machine and calculator course offered by **Victor Adding Machine Co.,** Galt, Ont., contains 17 lessons with weekly tests. Priced at $3, one copy is free to schools . . . brochure available from **Nuclear Enterprises,** Winnipeg, on new geophysical instrument for mine exploration.

Company Report

Metal Components

FLEET MANUFACTURING LTD., Fort Erie, Ont., net profit for year ended Sept. 30, 1958, was $81,919, compared with previous fiscal year's net loss of $174,790.

Income taxes of $28,000 otherwise payable for 1958 were eliminated by application of prior years' losses.

Substantial savings were achieved by reduction of administrative costs, President G. D. Clarke says.

Order backlog at Sept. 30, 1958, totaled $2,799,996, and monthly value of radar antenna hardware sales, aircraft components and sheet metal products was averaging $250,000.

A substantial part of this order backlog resulted from a new **Canadian General Electric** contract for production of 13 sets of FPS-6 radar antenna hardware and a radar testing range — the first in Canada — to be built and installed by Fleet in the Fort Erie area.

Company opened new executive offices in Toronto.

INCOME ACCOUNT

Years Ended Sept. 30:	1958	1957
Oper. profit	$200,863	x$3,468
Less: Deprec.	78,490	89,967
Deb. disc. amort.	5,650	5,650
Interest	34,804	50,188
Advance w/o	......	25,517
Net profit & surplus	81,919	x174,790

xLoss &/or deficit.

Earnings per Share and Dividend Record:		
Earned	$0.08	d$0.17
None paid.		
Shs. o/s at Sept. 30:		
Common, n.p.v.	1,087,000	1,012,000

CONDENSED BALANCE SHEET

As at Sept. 30:	1958	1957
Cash	$47,670	$8,009
Accts. rec., less res.	307,793	335,496
Inventories	372,078	888,708
Prep. exp.	23,158	9,257
Total curr. assets	750,699	1,241,461
Inv. in other cos.	52,000	52,000
Fixed assets*	533,736	590,613
Debent. discount	32,981	38,631
Total assets	1,369,416	1,922,705
Due bank	......	295,057
Accts., tax., etc., p.	138,009	469,910
Debt. instal.	80,400	64,500
Total curr. liab.	218,409	829,467
Mortgages	269,036	335,035
Funded debt	222,100	236,500
Capital stock	1,140,594	1,084,344
Less: Deficit	480,723	562,641
*After depr. of	1,196,932	1,129,207
Working capital	532,290	411,994

THE INVESTMENT FUNDS

Investors Group Canadian Assets Reach $167 Million

Investors Group Canadian Fund Ltd., U. S.-owned Canadian investment fund, total net assets of $167,412,984 at Dec. 31, 1958, were 14.1% higher than $146,745,991 shown six months earlier.

Net asset value per share rose 12.5%, based on 29,324,679 shares outstanding, to $5.93 (U. S.) from $5.27 at June 30, 1958, based on 29,042,903 shares.

Industry groups in which fund held its larger investments at Dec. 31, were petroleum, 20.9%; metals and mining, 17.3%; and natural gas, 9.1%.

During the latter half of 1958 fund liquidated holdings in one bond issue and one preferred stock. Holdings in 29 common stocks were increased, and six others were reduced.

Here are the portfolio changes for the half-year ended Dec. 31:

Bonds:	Amount held at Dec. 31/58 $	Change since June 30/58 $
Que. Nat. Gas 5¾% '85	......	—40,200
Preferred:	— Shares —	
Can. Iron Foundr's. 4¼% cum. con.	......	—210
Common:		
Cdn. Oil Co.	79,500	+79,500
Cdn. Sup. Oil of Calif.	100,000	+17,300
Consol. Mic Mac Oil	250,000	+20,900
Dome Petroleum	161,600	+16,800
Royalite Oil	200,000	+13,700
Western Decalta Pet.	409,875	+81,975
Banff Oil	330,000	+80,000
Calgary & Edmon.	98,100	+8,500
Triad Oil	207,000	+30,000
Trans Mountain Oil P.L.	245,000	+196,000
North Ont. Nat. Gas	50,000	+50,000
Quebec Nat. Gas	65,000	+804
Union Gas of Can.	110,180	+88,144
Westcoast Transmission	150,000	+44,800
Pacific Petroleums	250,000	+43,100
Temagami Mining	285,000	+85,000
Ventures Ltd.	133,000	+9,400
Lake Shore Mines	108,700	+2,000
Dom. Foundries & Steel	20,570	+1,870
Steep Rock Iron Mines	52,300	+2,300
Canada Cement	50,000	+16,200
Cassiar Asbestos	200,000	+11,500
Hinde & Dauch Paper	15,000	+1,420
Moore Corp.	26,965	+2,865
Powell River	85,250	+2,425
B. C. Power Corp.	68,225	+1,125
Shawinigan W. & P.	95,125	+1,425
Bank of Montreal	22,900	—17,650
Bank of Nova Scotia	28,575	—8,375
Cdn. Bank of Commerce	35,973	—9,250
Imperial Bank of Can.	15,000	—5,000
Royal Bank of Can.	27,700	—13,000
Tor.-Dominion Bank	33,960	+2,885
Bell Tel. of Can.	20,900	—14,100
British Nfld. Corp.	179,000	+72,000

REBUILT TV TUBES

Canadian Westinghouse will offer "a restricted line" of factory-rebuilt and tested television picture tubes in addition to its existing premium line (**FP**, Jan. 31). The rebuilt tubes will be made from reclaiming glass envelopes and subject to same manufacturing processes as premium tubes, company announces. They will also carry the same one-year warranty and will sell "at much lower prices" than brand new tubes.

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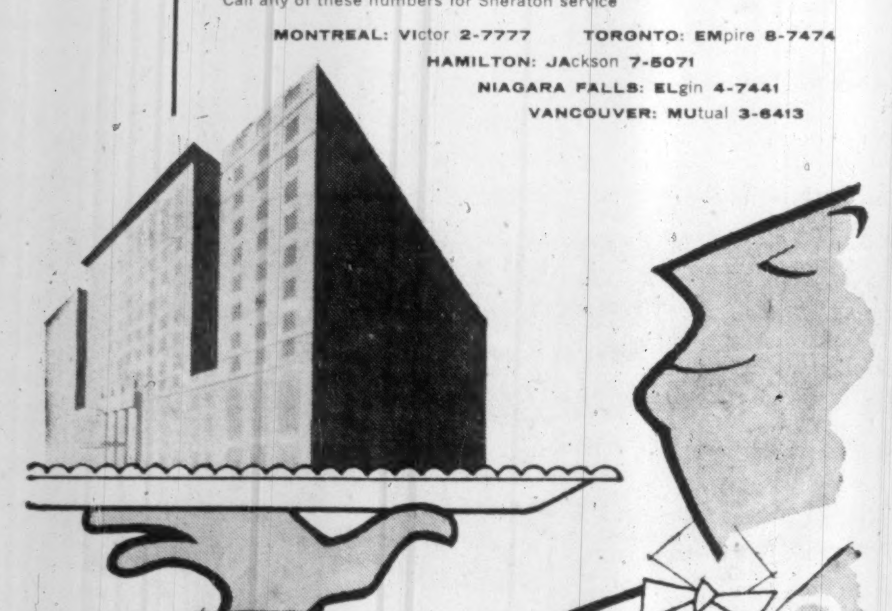
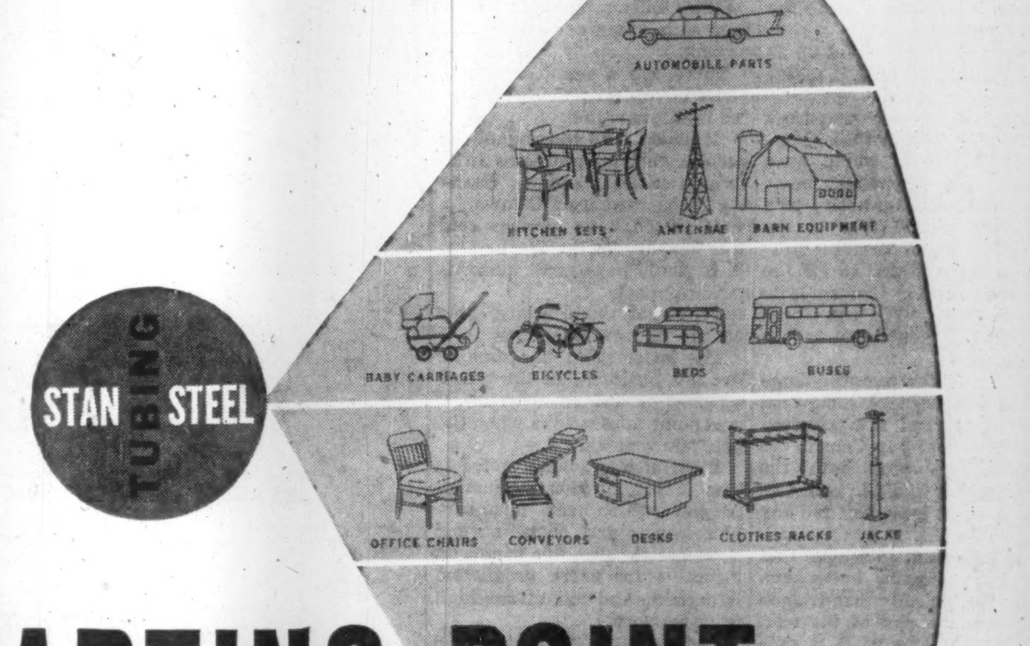


SHERATON-MT. ROYAL HOTEL
MONTREAL, QUEBEC



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YOUR TAXES

An exclusive FP column of comment on the trends in personal and business taxation.

Ball Players in the Clear But Doctors Can't Cut Taxes

By JOHN G. McDONALD, LL.M.
McCarthy & McCarthy, Toronto

THE QUESTION whether professional people can save taxes by incorporating their practices has now been considered for the first time by the Tax Appeal Board.

In No. 594 v. Minister of National Revenue the Board dismissed a surgeon's appeal from assessments in which he was required to pay tax on income received by a corporation organized by him to "manage" his professional practice.

The principal reason given was that the company's contract with the doctor was "illegal."

The Board was told that the corporation, under its contract with the doctor, was practising medicine through the agency of a qualified person.

During the two taxation years under appeal, "all the fees earned by the appellant and his assistant were credited to the company, which then paid salaries to the two practitioners for their services."

The Board held that because the contract was illegal (that is, in violation of the Medical Act), it "must also be regarded as ineffective for the purpose for which it was intended" — the reduction of personal income tax liability.

"The company formed became merely a repository for fees earned by the appellant and his associate and turned over to it . . . it would be more accurate to say that the company was the agent of the appellant."

Rulings Different In Earlier Cases

It is unfortunate that the Board did not consider the many authorities in which it has been held that income from illegal pursuits is taxable notwithstanding the unlawful character of the taxpayer's activity.

Those cases, it seems to us, make it clear that a corporation carrying on a professional practice or a business contrary to a provision of provincial law is taxable on its income without regard to the civil consequences of its conduct.

For example, in the "commercial" world, it has been held that a bootlegger was not entitled to set up his contravention of the Ontario Temperance Act as a defence in an income tax appeal.

Other cases along the same line have involved prostitutes, gamblers, professional swindlers, and slot machine operators.

The words of the Privy Council on this point — which are binding law — are that:

"Construing the Act literally, the profits in question [from bootlegging], although by the law of the particular province they are illicit, come within the words employed . . . There is nothing in the Act which points to any intention to curtail the statutory definition of income, and it does not appear appropriate under the circumstances to impart any assumed moral or ethical standard as controlling in a case such as this the literal interpretation of the language employed."

The point is that although the doctor's company in Case No. 594 had no right to sue for fees because it was unlawfully practising medicine, as between itself and the doctor it had every right to retain the fees it earned and received and should have been taxed on those fees.

No authority permits the courts to disregard the corporation and tax its income to the shareholders on the ground that its operations violate a provincial law.

Case No. 594 serves to illustrate the problem created for professional men by the confiscatory rates of tax with which they are burdened.

Professional Men Bear Special Burden

All other categories of taxpayer are permitted to escape the high rates.

Employees enjoy "perquisites" of office at low valuations: stock option, pension and profit sharing plans, and expense accounts.

Businessmen, management consultants, insurance agents, real estate agents, brokers, traders of all kinds, even ball-players and concert artists are permitted to incorporate their affairs to take advantage of the lower corporate rates of tax (20% on the first $25,0000, 47% above that level, plus 2% in Ontario).

Members of the learned professions, who spend nine or 10 years qualifying to practice, and who discipline themselves through their governing bodies by denying the right of incorporation — thus preserving personal liability — are entitled to no relief whatever.

Apart from their inability to use the corporate form, they are entitled neither to deduct nor amortize the high cost of their education, nor to average their income between good years and bad.

At the Ontario 1958 midwinter meeting of the Canadian Bar Association, a resolution was carried that the government be asked to introduce legislation permitting professional firms and individuals to elect to be taxed as corporations.

Such a measure would place professional taxpayers on an equal footing with the business community while permitting them to discharge their duty to the public by preserving the principle of personal responsibility.

Against a background of steadily increasing rates of tax, case No. 594 makes it clear that if the learned societies don't speak up for fair tax treatment they won't get it.

Company Reports

Insurance

CANADIAN FIRE INSURANCE CO., Winnipeg, net premium income of $4,575,498 for 1958 was 8.8% higher than 1957's $4,204,754.

Ratio of losses incurred to premiums earned was 53.6%, President W. C. Riley reports.

Ratio of general expenses, excluding government license fees, taxes and profit commission to net premiums written was 39.4%. Ratio of government license fees and taxes, excluding corporation income tax, to net premiums written was 3.9%.

Book value of securities held at year-end, less investment reserve, was $6,405,288, which was $21,936 less value authorized by Superintendent of Insurance and exceeded market value by $46,135.

A profit of $7,145 was realized on sale of securities and investments previously written off.

Important items in company's statement follow:

	1958	1957
Net prem. inc.	$4,575,498	$4,204,754
Int. on invests., etc.	231,343	614,785
Losses & adj. exps.	2,394,556	3,163,396
Gen. exp., fees, etc.	1,981,147	1,985,778
Sh'holders' divds.	30,000	40,000
Total assets	8,039,047	7,698,579
Liabs. to public	4,576,687	4,559,128
Liabs. to sh'holders.	1,000,000	1,000,000
Reins. res., liabs.	551,950	504,461
Surplus	1,910,410	1,634,989
Loss ratio	53.6%	62.2%

Gas Distribution

SUPERIOR PROPANE LTD., Toronto, consolidated net profit of $330,153 for year ended Nov. 30, 1958, was 41.1% higher than previous fiscal year's $233,923.

Improving business and a highly successful season in the tobacco country substantially increased company's summer load, Chairman Marshall Rawle and President A. A. Rowan-Legg say.

Sales amounted to 15,551,900 gal. (11,480,500 in previous fiscal year).

Company added 16,600 new customers, bringing total to 47,200 at Nov. 30.

On March 31, 1958, company acquired **Liquigas Ltd.**, a wholly owned subsidiary of **Safety Industries Inc.**, New Haven, Conn.

Liquigas, operating around bulk stations located at Lachine and Joliette, Que., previously owned property at Morrisburg, Ont., acquired by Superior Jan. 1, 1958.

Sales of LP-gas should show a 10-year average annual increase of about 27%, the chairman and president predict.

CONSOL. INCOME ACCOUNT

Years Ended Nov. 30:	1958	1957
Gross revenue	$6,256,616	$5,016,459
Net earnings	1,054,488	757,027
Less: Depreciation	310,341	223,075
Int. on funded debt	99,148	76,818
Debt. disc. & fin. exps. w/o	13,346	12,919
Income taxes	301,500	210,292
Net profit	330,153	233,923
Less: Pref. divds.	56,000	56,000
Com. divds.	36,924	......
Surplus for year	237,229	177,923

Note—Income taxes otherwise payable have been reduced by claiming for tax purposes depreciation in excess of that recorded in the accounts.

	1958	1957
Times Debenture Interest Earned:		
Before deprec.	10.64	9.85
After deprec.	7.51	6.95
Earnings per Share and Dividend Record:		
Preferred	$8.25	$5.85
Paid	1.40	1.40
Common	0.74	0.48
Paid	0.10	....
Shares o/s as at Nov. 30:		
Preferred, $1.40	40,000	40,000
Common, n.p.v.	369,240	369,240

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1958	1957
Cash	$28,975	$133,963
Investments	49,855	......
Accts., etc., rec.‡	1,236,937	994,272
Inventories	474,245	477,535
Prepaid exps.	27,424	56,226
Total curr. assets	1,817,436	1,661,996
Incorp. & org. exps.	15,286	15,286
Excess cost subsid. over. bk. value	146,550	146,550
Deb. disc. & fin. exps.	171,475	142,928
Fixed assets*	4,775,282	3,275,673
Total assets	6,926,009	5,242,433
Accts. pay. & accr.	772,221	395,424
S.f. install. due	68,000	31,500
Total curr. liabs.	840,221	426,924
Deferred income	457,130	417,481
Funded debt	2,645,000	1,850,000
Def. income tax	783,900	585,300
Capital stock	1,410,100	1,410,100
Earned surplus	789,658	552,628
*After deprec. of	1,174,427	869,777
Working capital	977,215	1,235,072

‡After provision for doubtful accounts.

Transportation

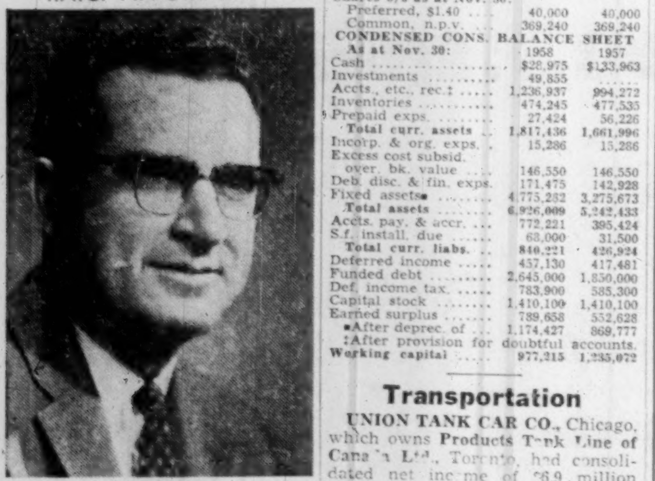
UNION TANK CAR CO., Chicago, which owns **Products Tank Line of Canada Ltd.**, Toronto, had consolidated net income of $6.9 million down 15.8% from the $3.2 million earned in 1957.

Products Tank Line, which owns and operates 6,800 railway tank cars in Canada, acquired **Sparling Tank & Mfg. Co.**, Toronto, in 1958. Sparling Tank has supplied most of the tankage for the DEW-Line and Mid-Canada radar system, company states.

Products Tank, which opened a Toronto head office during the year, also established a new division, **Graver Water Conditioning Co.**, to provide industrial water treatment and chemical processing equipment.

ANNOUNCEMENT

I.A.C. APPOINTMENT



F. P. PARADIS

Industrial Acceptance Corporation Limited announces the appointment of Mr. F. P. Paradis as Branch Superintendent at the company's Executive Offices in the Town of Mount Royal, Quebec. Mr. Paradis joined I.A.C. in 1946 and managed company branches in Edmundston, N.B., Quebec City and, prior to his new appointment, was Manager of the I.A.C. office on Christophe Colomb Street in Montreal. In his new position Mr. Paradis will supervise the credit and operations of several branch offices in the Province of Quebec and New Brunswick.

A major advantage of Closed Circuit TV is greater efficiency... it allows instant visual communication between records and management at The Bank.

CLOSED CIRCUIT TV INSTALLED BY THE BANK

another first for "The Bank that looks ahead"

The Toronto-Dominion Bank brings a new dimension to banking with "another first"—the installation of closed circuit industrial television in the Current Account Department at KING and BAY Streets in Toronto.

This giant step forward serves as further proof that "The Bank" *does* look ahead... and keeps pace with the ever-changing banking requirements of a growing nation.

We're proud to be the first to introduce closed circuit TV to Canadian banking... and to combine its many advantages with the capable, personalized service that has been a trademark at "The Bank" for more than 100 years.

THE TORONTO-DOMINION BANK

THE BANK THAT LOOKS AHEAD

CREDIT FONCIER FRANCO-CANADIEN

HEAD OFFICE: 5 St. James Street East, Montreal

BALANCE SHEET AS AT DECEMBER 31, 1958

ASSETS

	1958	1957
OFFICE PREMISES, less amounts written off	$ 944,528.48	$ 589,598.68
REAL ESTATE, after deduction of investment reserves	1,790,560.83	2,202,798.19
MORTGAGES AND AGREEMENTS FOR SALE, after deduction of investment reserves	75,323,498.63	69,677,253.10
UNAMORTIZED DISCOUNT ON DEBENTURES	255,757.12	266,584.02
STOCK OF CANADIAN COMPANIES not exceeding Market Value	1,446,282.29	893,187.82
OTHER INVESTMENTS	2,288,882.50	1,348,841.75
DEBENTURES not exceeding Market Value	1,108,775.70	1,035,656.99
DEMAND OR SHORT-TERM DEPOSITS	3,952,813.40	3,674,000.00
CASH ON HAND AND IN BANKS	480,462.68	361,837.50
MISCELLANEOUS	296,078.92	369,492.16
	$87,887,640.60	$80,419,250.21

LIABILITIES

		1958	1957
DEBENTURES (including interest accrued and Reserve for Foreign Exchange relative to Debentures payable in Foreign Currencies)		$48,552,693.52	$42,189,913.39
SHORT-TERM NOTES		3,427,152.07	4,053,737.26
DEFERRED LOANS		1,167,472.28	413,054.89
INCOME TAX		367,920.52	544,451.84
MISCELLANEOUS		269,371.11	259,155.62
PROVISIONS		1,345,048.43	1,020,484.14
CAPITAL STOCK:			
636,000 shares authorized (without nominal or par value)			
124,000 shares issued and fully paid		10,226,527.22	10,226,527.22
RESERVES:			
Statutory	$ 2,485,750.02		
General	14,951,477.81		
Provident Fund	2,680,000.00	20,117,227.83	19,560,522.67
PROFIT AND LOSS ACCOUNT		2,414,227.62	2,151,403.18
		$87,887,640.60	$80,419,250.21

AUDITORS' REPORT

We have examined the books and accounts of Crédit Foncier Franco-Canadien at its Head Office in Montreal, for the year ended December 31, 1958, and we have obtained all the information and explanations that we have required.

Base on our examination, we are of the opinion that the above Balance Sheet is drawn up so as to exhibit a true and correct view of the financial position of the Corporation as at December 31, 1958, as shown by the books at that date.

CHARTRE, SAMSON, BEAUVAIS, BELAIR, COTE, MARCEAU et ASSOCIES
Chartered Accountants.

Montreal, February 20, 1959.

Certified Correct:

G. GENY
R. LABAT
E. de B. PANET
Censors

A. BERTHIAUME
Chief Accountant

E. L. PATENAUDE
Vice-Chairman

B. LECHARTIER
General Manager

BOARD OF DIRECTORS

Chairman
Emmanuel MONICK
Honorary Governor, Bank of France

Vice-Chairman
Hon. E. L. PATENAUDE, P.C., Q.C., former Lieutenant Governor of the Province of Quebec

Directors
Armand CHEVALIER
Henri DEROY
Hon. Leon Mercier GOUIN, Q.C.
Robert MEUNIER du HOUSSOY
Olivier MOREAU-NERET
Maurice STERN
Arthur SURVEYER
Major General George P. VANIER, D.S.O., M.C.
Pierre VINSON

Censors
Georges GENY
Roger LABAT
Major General E. de B. PANET, C.M.G., D.S.O.

EXECUTIVE OFFICERS

Bernard LECHARTIER, *General Manager*
Raymond LAVOIE, *Assistant General Manager*
Emile DESORCY, *Inspector General*
Bernard LECLERC, *General Secretary*
Andre DAMBRINE, *Treasurer*
Alphonse BERTHIAUME, *Chief Accountant*

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ANNOUNCEMENT

JAMES E. GORDON

James E. Gordon has been appointed Western Advertising Manager of the Reader's Digest, it was announced by Andrew J. Conduit, Advertising Director of The Reader's Digest Association (Canada) Limited.

Mr. Gordon brings many years of publishing experience to his new position, including six years in the Toronto office of the Digest where he will continue to make his headquarters.

THREE ACCOUNTS

Three new accounts will be handled by **John McKenney Bingham Ltd.**, Toronto advertising agency. They are: **American Banner Lines Inc.**, Construction Safety Associations of Ontario and Don Mills "Parkway East" housing project.

You feel the friendly difference at Toronto's Lord Simcoe Hotel

You've probably heard about the comfortable rooms at the Lord Simcoe—about the delicious food, too. We know you'll enjoy them both when you come to stay. But what we're certain you'll find most amazing about our hotel, is the service you'll get, the way all the staff combine to make your visit an experience to treasure. It's this special touch that makes the Lord Simcoe so different from other hotels. And incidentally, it's a difference that adds nothing to the bill.

Single rooms from $7.50
Double rooms from $11.50

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University at King Street, Toronto
For reservations phone: EMpire 2-1848

Canada: The Lord Elgin, Ottawa. The Lord Simcoe, Toronto
Chicago: The Sherman
The Hotels Ambassador

Fur Industry Cracking Down On Theft Costs

Hidden marks on all furs aimed at foiling receivers and insurance grabbers . . .

MONTREAL (Staff) — A well-organized, nation-wide crackdown on Canada's fantastic boom in fur theft is being prepared.

Troubled by larceny and mounting insurance premiums, Fur Trade Association of Canada is working with police on the drive.

Example of recent hefty thefts:

Last week-end, in one robbery, thieves stole $100,000 in furs from a Montreal loft. Police are holding two men.

The solution: Every fur coat or wrap will be marked with an indelible code number by the manufacturer, on the skin under the lining.

A record of every item sold will be kept at the Association's headquarters.

It will mean, Association officials say, that the future will be much more dangerous for receivers of stolen furs.

Ottawa is reported enthusiastic, too.

Giving each garment an identity will make it impossible for anyone to sell wholesale to cash paying customers, thus avoiding sales and income tax.

Fur thefts have reached staggering proportions over the last two years.

Over $2 million worth have been stolen in Montreal alone during that period. Furriers estimate the national figure is close to $5 million.

"It has been too easy," Association's Quebec president, A. D. Anton, told **FP**. "There has been a great deal of dishonesty on the part of 'innocent parties' as well.

"Some furriers who have had their stock stolen, and have collected insurance, refuse to identify the coats if the police recover them later.

"It is even more frequent among women who have a coat stolen, buy a new one with the insurance, and then face the problem of having the missing coat returned.

"They don't want it back, and often deny it is the one that was stolen."

Because of this, most insurance firms are reluctant to handle furriers at all. Those that do have been forced to jack up their rates almost every year.

Some Montreal furriers have had their insurance premiums doubled since 1957.

Could the "fence" remove the number on a stolen coat?

Not without the right equipment, Association reports. The identification will be stamped on different places on the skin, several times on each garment.

Even if the receiver or thief had the necessary equipment to find it, the lining would have to be cut and the skin damaged to remove it.

A receiver, furriers estimate, would get next to nothing in return for a garment damaged that way.

And more important, it would make it impossible to resell the un-numbered coat through any open retail transaction. Police and customers could demand to check its serial number.

"We have assured the police that within an hour we will be able to tell them exactly where a fur was bought in Canada, who bought it and its wholesale value. We will also have records of any legal resale."

Insurance men queried this week by **FP** were enthusiastic about the plan. If the rate of recovery could be improved, they said, insurance rates would certainly drop.

Police in Montreal and other Canadian cities have been hard-pressed to track down receivers, especially since it has been virtually impossible to identify stolen furs.

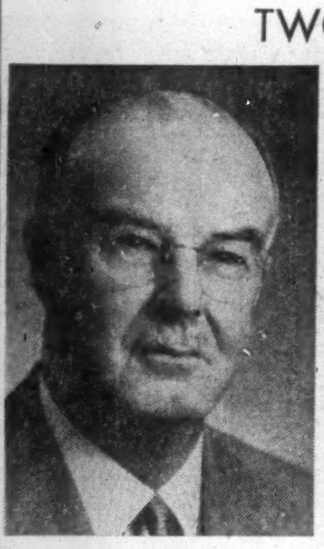
They are certain that large and efficient gangs have been handling their disposal.

From now on every fur will be suspect and thieves are expected to be reluctant to take the risks involved.

The heyday of the fur thieves seems to be over.

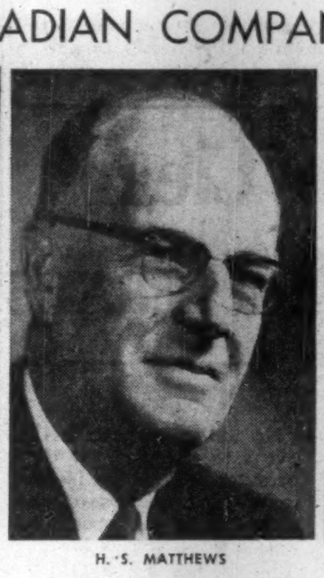
ANNOUNCEMENT

TWO GREAT CANADIAN COMPANIES JOIN HANDS



J. G. MATTHEWS

I. M. POLLOCK



H. S. MATTHEWS

J. S. DUNLOP

A. J. COLDEN

Mr. J. C. Matthews, President of Matthews-Wells Company Limited, and Mr. I. M. Pollock, President of Nabisco Foods Limited, announce that negotiations, which have been underway for several months, are now completed and that Matthews-Wells Company Limited, Guelph, Ontario, manufacturers of the well-known Rose Brand products, has become a member of the NABISCO FAMILY and a sister company to NABISCO FOODS LIMITED, Niagara Falls, Ontario.

The Matthews-Wells Company Limited will continue to operate and distribute its products in the same way as it has in the past.

Mr. J. G. Matthews and Mr. H. S. Matthews, formerly President and Vice-President, have announced their retirement from the Matthews-Wells Company Limited.

Mr. J. S. Dunlop, who has been with the Matthews-Wells Company Limited since its inception and who was a Vice-President, has now become the President and General Manager. Mr. I. M. Pollock has been elected a Director, and Mr. A. J. Colden will continue as Director of Sales for the Matthews-Wells Company Limited.

N.B. May Back Powdered Milk Plant Debentures

Special Correspondence

SUSSEX, N.B. — A $900,000 plant to manufacture powdered milk by the spray process, may be erected in this large New Brunswick dairy district.

Atlantic Dairy Products proposes to build the plant and has asked the provincial government to guarantee $300,000 of its debentures to be issued to finance the plant's construction.

A public meeting was held here under the auspices of the Atlantic Provinces Economic Council.

Armand Cortelli of Perth, Ont., representing the company, explained plans for the new industry. Parker D. Mitchell of Lancaster, N.B., APEC vice-president, presided.

Mr. Mitchell said he had been informed by New Brunswick's minister of industry, Hon. Roger Pichette, that the provincial government is prepared to guarantee debentures of the company up to $300,000 if conditions laid down by the government are met by the company and that a sufficient supply of raw milk is available for the plant.

Further discussions with the provincial government and minister of agriculture, Hon. C. B. Sherwood, will now follow.

It is understood that erection of the plant will depend on the successful outcome of these discussions.

Company Reports

Textiles

ROBINSON COTTON MILLS LTD., Toronto, consolidated net loss for year ended Dec. 21, 1958, was $69,029, compared with previous fiscal year's consolidated net profit of $68,072.

Despite operating expense reductions totaling $215,056 company was unable to meet import competition profitably, Chairman W. W. Robinson says.

Satisfactory results are reported for operations of plastic subsidiaries.

Capital expenditures amounted to $45,816.

Mr. Robinson states company has no intention at present of paying dividends or redeeming preferred stock, but if working capital is increased to over $1 million during the first half of year consideration will be given to a further redemption of preferred stock.

CONS. INCOME ACCOUNT

Years Ended:	Dec. 21 1958	Dec. 18 1957
Net earnings	$69,599	$211,640
Less: Depr.	99,312	124,980
Amort.	3,773	3,773
Bond int.	8,618	10,962
Inc. taxes	26,925	2,743
Min. int.	......	1,110
Net profit & surp.	‡69,029	68,072
‡Loss and deficit.		
Times Bond Interest Earned:		
Before depr. & amort.	8.08	19.31
After depr. & amort.	6.91	7.56
Earnings per Share and Dividend Record:		
Pref.: Earned	d$0.36	$0.34
None paid.		
Com.: Earned	d0.27	0.25
None paid.		
Shares o/s as at:		
5% Pref., $5 par	193,685	199,726
Common, n.p.v.	150,000	150,000

CONDENSED CONS. BALANCE SHEET

As at:	Dec. 21 1958	Dec. 18 1957
Cash	$69,469	$15,828
Accts., etc., rec.	623,397	569,597
Life ins., c.s.v.	43,408	38,219
Inventories	1,964,580	1,480,023
Prepaid exps.	31,198	12,494
Total curr. assets	2,732,052	2,116,161
Loans to dir. (sec.)	8,356	4,100
Fixed assets	3,752,504	3,706,842
Patent rights	187,142	190,915
Total assets	6,680,054	6,018,018
Bank advances	1,525,000	865,561
Accts., tax., etc., pay.	181,483	103,691
Ser. bond due	71,463	71,583
Total curr. liab.	1,777,946	1,040,835
Depr. res.	2,823,829	2,724,670
Loan from dir.	100,000	100,000
Funded debt	150,000	225,000
Capital stock	1,260,425	1,290,630
Tax-paid surplus	211,282	211,282
Surplus	356,572	425,601
Working capital	954,106	1,075,326

Beverages

DOW BREWERY LTD., Montreal, consolidated net profit of $2,930,026 for year ended Oct. 31, 1958, was 0.1% higher than previous fiscal year's $2,927,516.

Chairman Wilfrid Gagnon and President J. A. Desrochers say sales and profits were considerably reduced by seven-week strike in Ontario last August and September.

Production costs were lower than in previous fiscal year due to improved efficiency.

Depreciation was taken at the maximum allowable for income tax purposes.

Capital expenditures totaled $739,418, part of which went to increasing Kitchener brewery's bottling capacity by 35%. In 1959 capital expenditures will amount to $1,128,000.

CONS. INCOME ACCOUNT

Year Ended Oct. 31:	1958	1957
Net oper. income	6,931,821	7,522,310
Add: Prof. sale f.a.	18,497	18,360
Prof. sale invest.	40,475	76,041
Prof. deb. red.	43,000	......
Other income	526,807	297,130
Net earnings	$7,560,600	$7,913,841
Less: Deprec.	1,916,536	2,248,825
Deb. int.	148,038	162,500
Res. for taxes	2,566,000	2,575,000
Net profit	2,930,026	2,927,516
Less: Pref. divds.	194,250	194,250
Com. divds.	811,543	......
Surplus for year	1,924,233	2,733,266
Times Debenture Interest Earned:		
Before deprec.	51.07	48.70
After deprec.	38.13	34.86
Earnings per Share and Dividend Record:		
Preferred	$26.40	$26.37
Paid	1.75	1.75
Common	3.79	3.79
Paid	1.12½	nil
Shares o/s as at Oct. 31:		
Preferred, $25 par	111,000	111,000
Common, n.p.v.	721,372	721,372

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1958	1957
Cash	$3,364,501	$6,334,794
Accts. rec.	3,586,517	3,629,270
Mkt. invest.‡	6,149,250	201,250
Inventories	4,571,946	4,473,137
Loans rec.	5,000,000	5,000,000
Prepaid exps.	500,395	310,174
Total curr. assets	23,172,609	19,948,625
Misc. assets	......	68,853
Misc. invest.	1,675,075	1,582,339
Fixed assets*	15,157,636	16,327,551
Total assets	40,005,320	37,927,368
Accts., etc., pay.	3,280,150	2,109,944
Income taxes	1,522,388	1,538,875
Total curr. liab.	4,802,538	3,648,819
Funded debt	4,000,000	5,000,000
Capital stock	8,185,285	8,185,285
Surplus	23,017,497	21,093,264
*After depr. of	16,543,488	14,924,113
‡Market value	6,147,000	191,000
Working capital	18,370,071	16,299,806

SCHOOL BONDS

From Our Own Correspondent

HALIFAX — Some $500,000 of debentures were sold by the Municipality of the County of Halifax to **Cornell MacGillivray Ltd.** of Halifax at a price of $98,633, with a net cost to the county of $5,417. The 20-year serial bonds are for school purposes.

Oil and Gas

CONSOLIDATED WEST PETROLEUM had a net profit of $514,191 or 47c a share in 1958, up 9% from the $430,802 or 43c a share in the previous year.

Gross earnings from gas sales jumped 33% in 1958 to $780,366 from the $587,157 rung up the year earlier. Biggest factor behind the boost was the successful well drilling program.

During the year a total of 15 wells were drilled on the company's Lake Erie off-shore leases of which 14 were brought in as successful wells.

To connect these wells to the gathering system, the company laid eight miles of three-inch, and six miles of six-inch pipe.

Underwater Gas Developers in which Consolidated West Pete has an 85% interest increased contract drilling activity in the year. Consolidated's share of the net profit after taxes amounted to $51,557.

INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Gross prod. & sales of gas in Lake Erie	$780,366	$587,157
Add: Oth. inc.	32,124	38,591
Less:		
Oper. & prod. exp.	120,669	53,116
Gen. admin. exp.	60,684	91,462
Debent. interest	30,517	38,281
Depreciation	86,429	12,087
Net profit	514,191	430,802
Earned per Share & Dividend Record:		
Common, Earned	$0.47	$0.43
None paid.		
Shs. o/s at Dec. 31:		
Common, n.p.v.	1,100,000	999,148

CONDENSED BALANCE SHEET

As at Dec. 31:	1958	1957
Cash	$295,852	$35,147
Accts., etc., rec.	541,966	601,669
Prepaid exp.	919	......
Total curr. assets	838,737	636,816
Invest. in subsid.	85,007	85,007
Prepd. exp.	......	9,056
Develop. expend.*	......	30,810
Pipelines, p.ers, mach. & equip.†	222,050	162,151
Land	3,379	3,379
Misc. expenses	15,737	22,850
Total assets	1,164,910	950,079
Bank loan	......	50,000
Accts. pay. & accr.	181,565	25,746
Total curr. liabs.	181,565	75,746
Funded debt	306,325	599,544
Capital stock	840,399	435,287
Deficit	163,379	160,498
*After amort. of	2,005,863	1,506,706
†After deprec. of	136,775	56,868
Working capital	657,172	561,070

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Riding a Turnbull Elevator is one of the most casual moments in your day. Every last operating detail has been cared for— every last bit of concern has been eliminated.

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HEAD OFFICE - TORONTO
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For passenger elevators and freight elevators of all kinds, dumb waiters, escalators and hangar doors.

New Deal For One-TV Regions?

From Our Own Correspondent

WINNIPEG—The new pattern for what are now one-channel television areas in Canada may now be emerging in Winnipeg.

After several years of a choice between watching the local CBC station or shutting the set off, Winnipeg viewers may find themselves with a choice of four or five channels.

Rabbit-ears will have to be supplemented by an outside antenna to get two of the stations but here are the possibilities:

- A French-language station in St. Boniface.
- A new satellite station at Pembina, just inside the United States and directly south of Winnipeg.
- Program reception from a new 1,206-ft. tower being completed at Fargo, North Dakota.
- A second English-language TV station in Winnipeg.

All these are in addition to CBWT which is now the steady diet of Winnipeg viewers.

The second English-language station would require a change in the policy of giving the CBC a Winnipeg monopoly.

But such a change may be coming under the new Board of Broadcast Governors, some of whom are known to favor TV competition.

At least five Winnipeg groups are in the running for permission to set up a private station in the city. One has announced it has $1 million and a site available if given a licence.

The CBC itself is seeking to establish the St. Boniface station which would be the only French-language TV outlet west of Quebec.

Application will come before the BBG in March. So far the board has heard no applications for private TV stations in Winnipeg.

The new satellite station at Pembina is an extension from Grand Forks. Winnipeg will be the largest centre within its signal radius.

Saint John Show Will Feature Atlantic Output

Special Correspondence

SAINT JOHN — An industrial exposition slated for Saint John, May 27-30 inclusive, will feature exhibits of practically every type of industry, food processors and public utilities.

This will be the first showing of Atlantic Provinces products at Saint John since 1951.

The exposition is being sponsored by the Saint John Junior Chamber of Commerce assisted by other Jaycee groups in the four provinces.

APEC is also supporting the big event.

APEC President, Dr. Frank McKinnon of Charlottetown said the producers of the Atlantic Provinces have much to show buyers in stressing the importance of an exposition of this type.

There will be 150 booths available for exhibitors.

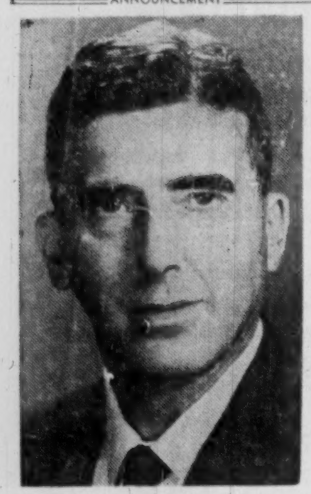
The exposition will be held in the spacious multi-million-dollar Pugsley ocean terminal on the Saint John harbor waterfront.

BARGE CONTRACT

From Our Own Correspondent

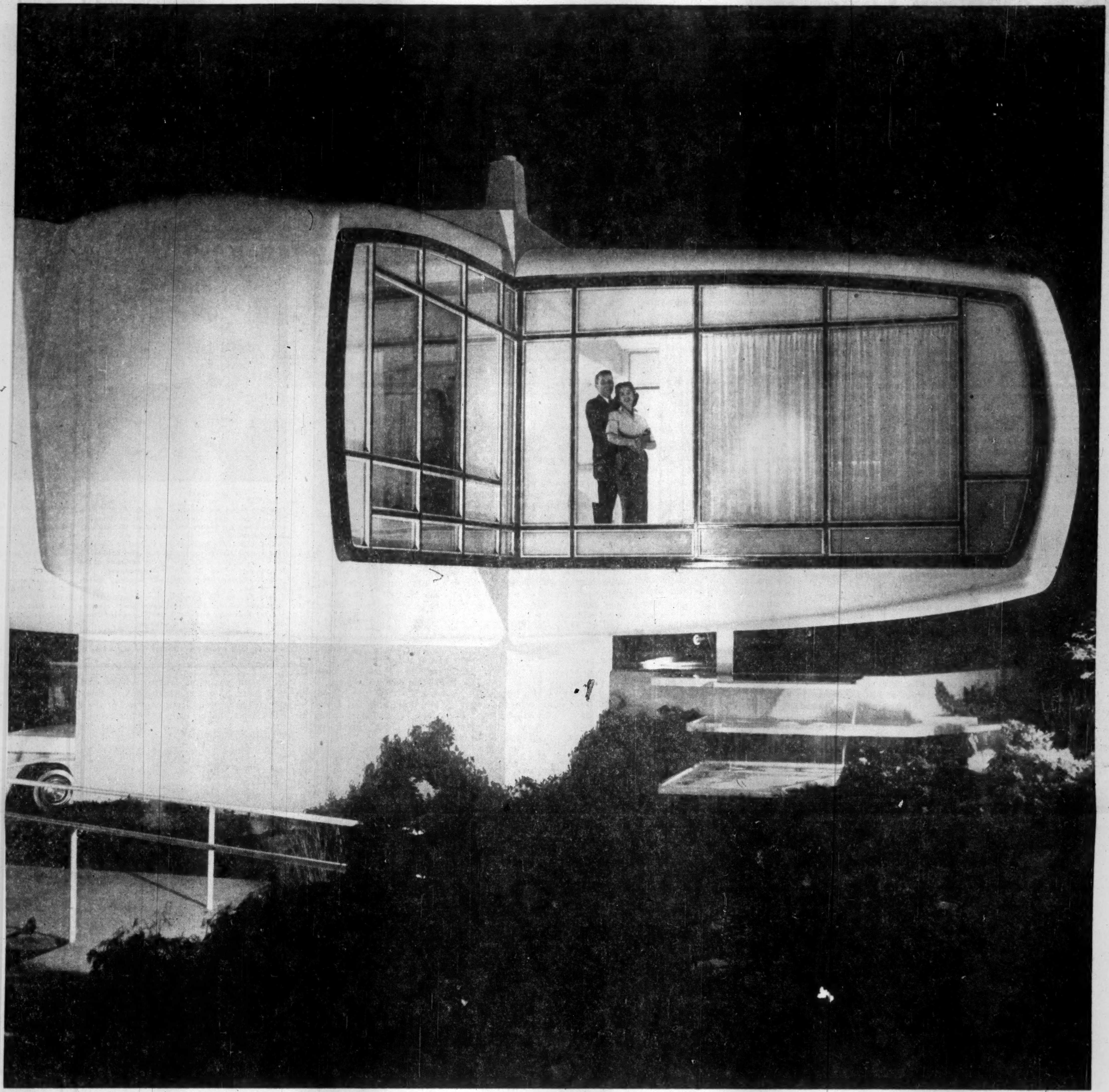
HALIFAX—A $300,000 contract for construction of a calibration barge for the navy has been awarded to **Halifax Shipyards Ltd.** by the Department of Defence Production. Work will begin immediately, with company rehiring for the work some iron workers who had been laid off.

ANNOUNCEMENT



B. K. HIBBERT, C.L.U.

Mr. W. J. Logie, General Manager of The Maritime Life Assurance Company, announces the appointment of Mr. B. Kenneth Hibbert as Supervisor of Field Training. Mr. Hibbert was formerly Agency Secretary of the Company and brings a wide range of knowledge and experience to his new responsibilities. He is a graduate of the L.I.A.M.A. Agency Management School and has the Chartered Life Underwriters designation. He will be responsible for supervising the training of all field personnel. Mr. Hibbert has just completed his term of office as Governor for the Ontario Quebec Maritimes district of Kiwanis International.



The house that lack-of-information built

Less than ten years ago the application of plastics was almost exclusively limited to decorative and functional uses inside the home. With a frank eye on future markets, a lion's share of inquisitiveness and the knowledge that no research had previously been done on plastics for construction, Monsanto set out to learn just how these could be used by the construction industry. The outcome of this experiment is the now-famous Monsanto "Home of the Future"!

It may be many years before Monsanto's "Home of the Future" is seen on your street. It's worth knowing, though, that the inquisitiveness, the inventiveness, the "will to pioneer" which transformed this project from a pipe dream into reality, are available now to tackle your problems, to improve your products, to speed your production.

Through its continuing research in industrial chemicals and plastics, Monsanto has accumulated a fund of information and experience — some of which may be of considerable use to you in your business. Why not give your Monsanto representative a call. He'll be happy to arrange a meeting with Monsanto's team of creative specialists and technicians.

See the model display of the Monsanto HOME OF THE FUTURE *when it visits The T. Eaton Co. in your city*

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No Worry or Taxes In Quebec's Budget

Duplessis government hasn't changed direction, but looking at hospital insurance plans . . .

MONTREAL (Staff) — It takes a keen eye to read much significance into last week's Quebec Budget.

The major point to note: In its financing, the Quebec government of Premier Maurice Duplessis hasn't changed direction.

There are to be no new taxes. A breakdown of estimated income and expenditure shows little change, item by item, in 1959-60 compared with 1958-59.

The estimate of an 0.9% rise in revenues apparently is based upon the probability of improving economic conditions.

Increases in revenue are predicted for those taxes which might be expected to yield more as the recession hangover disappears.

Corporations are expected to yield $1.5 million more, a total of $105 million in 1959-60.

Quebec's personal income tax take should rise $500,000 to $47.5 million.

Gas tax is expected to net $1.4 million more at $88 million; sales tax $1.8 million more at $62.5 million (with half of this going to the education fund).

Behind this "unexciting" budget probably are two things:

- **The government's apparent confidence in its position.**

It gives little appearance of being worried about the Liberal opposition or possible "third force" parties generated by organized labor and/or the Montreal-born Civic Action League.

- **The probability of rapid, large-scale economic growth,** both in mining and manufacturing. This will, in time, mean more government revenue without increasing taxes.

Lacking in the budget, of course, is any reflection of hospital insurance.

Quebec — not surprisingly — is a holdout against federal-provincial hospital insurance.

However there have been signs that the province wants to undertake a hospital insurance plan.

The political popularity of such a plan makes it difficult to resist.

What the province probably is doing is taking a breathing space to consider the implications of accepting federal aid for hospital insurance while continuing to turn it down for universities and highways.

In other words, Quebec doesn't want to undermine its advocacy of provincial rights and independence — but it **would** like a hospital plan.

Many observers are betting that Quebec will find some way of setting up such a plan.

Otherwise, the new budget indicates Quebec still will follow a policy of meeting capital expenditures from current revenues.

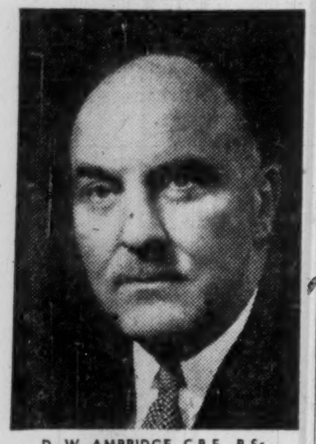
Total estimated 1959-60 revenue is $541.9 million ($537.3 million in 1958-59). Budgeted current expenditures are $451.6 million (445.5 million).

Expected capital expense is $97.3 million ($91.3 million).

Comparing both capital and ordinary expense with expected revenue, a deficit of $7 million results (surplus of $379,000 in the current year).

ANNOUNCEMENT

CANADA MALTING DIRECTOR



D. W. AMBRIDGE, C.B.E., B.Sc

Mr. Leigh M. McCarthy, Chairman of the Board, Canada Malting Co., Limited, announces the election of Mr. D. W. Ambridge, C.B.E., B.Sc., to the board.

Mr. Ambridge is President and General Manager, Abitibi Power & Paper Company Limited, and President, Provincial Paper Limited, Toronto. He is also a Director of Canada Steamship Lines Limited, Canadair Limited, Montreal Trust Company, Canada Iron Foundries Limited, Okanagan Helicopters Limited, Canadian Petrofina Limited and The Royal Bank of Canada.

Parliament's Business

By FP's OTTAWA STAFF

Arrow Debate Got Nowhere

OTTAWA (Staff) — Naturally everybody had expected a really big debate on the Government's decision to stop production of the Arrow.

It turned out to be a flop, mainly for two reasons which were quite predictable.

First, the Opposition parties would not attack the decision itself.

Yet they wanted to make the most of the dissatisfaction of Canadians who suffer from it — both workmen who have lost their jobs and scientists who see it as a deathblow to the aviation industry in Canada.

Second, the Government was only interested in defending the decision which nobody attacked.

It made hardly any attempt to fit the decision about the CF105 into the pattern of an intelligible, new defence policy to meet new defence conditions.

It certainly did not try to make the new defence conditions intelligible.

The politicians may have had a big day. The thinking public, with a deeper concern — and quite likely a better grasp of the fundamental problem — was badly short-changed.

It was partly because of the circumstances.

The only way to get a debate this week, when everybody wanted it on the heels of the Arrow decision, was an Opposition motion to "adjourn the House to discuss a definite matter of urgent public importance, namely . . ."

"Namely" had to be the decision to stop production of the Arrow: general defence policy would not have been ruled "a definite matter of urgent public importance."

Thus there was no decision about nuclear weapons; and there was no real debate about whether the Bomarc-SAGE program makes sense for Canada.

Bomarc was presented by both sides as an alternative to the Arrow.

The Government gave no hint whether it still wants a manned fighter as well.

The Liberal opposition let Paul Hellyer open the debate, and he obviously felt confined by the occasion — and by his party's policy of not attacking the decision to end the Arrow program. (For his own seat in Toronto-Trinity, this was the line which would have been popular.)

Mr. Hellyer got away with it. He didn't contradict the party line: he didn't say anything silly. But he did not greatly impress the House either.

The reply came from Mr. Pearkes, minister of national defence; and it was the speech of the day — in its way.

Mr. Pearkes always goes at things quietly, so he is heard quietly.

He gave a number of facts and figures, with a historical review of how the Arrow project started, and of how it grew in expense while the threat declined which it had been designed to meet.

Neither he, nor the PM, who spoke later, claimed that the previous government had been wrong to start it. They only wanted to prove that they were right to end it.

By having Paul Hellyer open, the Liberals could now put in Lester Pearson after the defence minister. He put up one of those performances which are convincing the Liberals that, despite their fears, he is an effective fighting politician.

Mr. Pearkes, he said, had produced many facts which were important.

How unfortunate that they were not revealed until after the Arrow decision, how odd they seemed in comparison with what Mr. Pearkes had said last summer (which the Opposition leader quoted).

And with the statements made by Air Marshal Slemon (Canadian deputy commander at NORAD), and by Mr. Pearkes too, in November.

Mr. Pearson didn't attack the decision to stop production of the Arrow. He attacked the way it was done, and the lack of any coherent alternative plans.

He was especially bitter about the government decision to let the U. S. supply the Bomarc missiles which RCAF squadrons will man.

He called it the first time Canada had accepted mutual aid.

And he strongly implied that the government had allowed defence decisions to be taken in the U. S.

Earlier on it had looked as though Mr. Diefenbaker would not take the floor. But he did, and his followers were delighted — at least those in the House.

Others complained that he had again made a brilliant Opposition speech — instead of presenting a coherent statement of defence policy.

Certainly he was brilliant — brilliant enough to recover from a parliamentary lapse which would have done serious damage to a new member.

He started quoting a newspaper's report of a speech given by Mr. Pearson in Edmonton. The gist of it was that the Liberals would probably have scrapped the Arrow long ago.

But Mr. Pearson interrupted, on a valid point of order, to say that Mr. Diefenbaker had quoted the same speech on Jan. 19.

At that time, as Hansard shows, Mr. Pearson denied the accuracy of the report, and the PM accepted the denial. Yet here he was trying to repeat it all.

Paul Martin was immediately up on a point of order, which was one of the sharpest lectures any PM can have had to swallow.

Mr. Diefenbaker had the best of the argument about scrapping the Arrow: only he was defending something which had not been attacked.

The Liberals had merely asked why no plans had been made to maintain employment at A. V. Roe; and how abandonment of the Arrow fits into the government's conception of Canadian defence.

The argument for very close co-operation with the Americans came from Mr. Diefenbaker.

The Opposition feared that we have accepted U. S. direction without any equivalent assurance that the partnership will extend to production and economic affairs.

Who won, politically, is anybody's guess.

But the loser was certainly the concerned citizen looking for assurance that we have a defence policy which makes some sense for Canada.

The one-day debate did not reassure him.

ANNOUNCEMENT

DOMINION BRIDGE APPOINTMENTS

R. S. EADIE

G. H. MIDGLEY

P. E. SAVAGE

M. McMURRAY

E. A. FORD

R. J. A. FRICKER

Following recent organizational changes, A. H. Cowie, Vice-President and Managing Director of Dominion Bridge Company, Limited has announced the following appointments.

R. S. Eadie, Vice-President and Director of Engineering, formerly Vice-President and Manager, Eastern Division. He is also responsible for the operation of the Engineering Services Division of the Company.

G. H. Midgley, Vice-President and Manager, Marketing Services.

P. E. Savage, Vice-President, Eastern Region. He is responsible for the Company's operations in Quebec and the Maritimes, and the Boiler Division and Mechanical Division for the whole of Canada.

M. McMurray, Vice-President, Ontario Region. He is responsible for the Company's operations in Ontario and the Steel Warehouse Division for the whole of Canada.

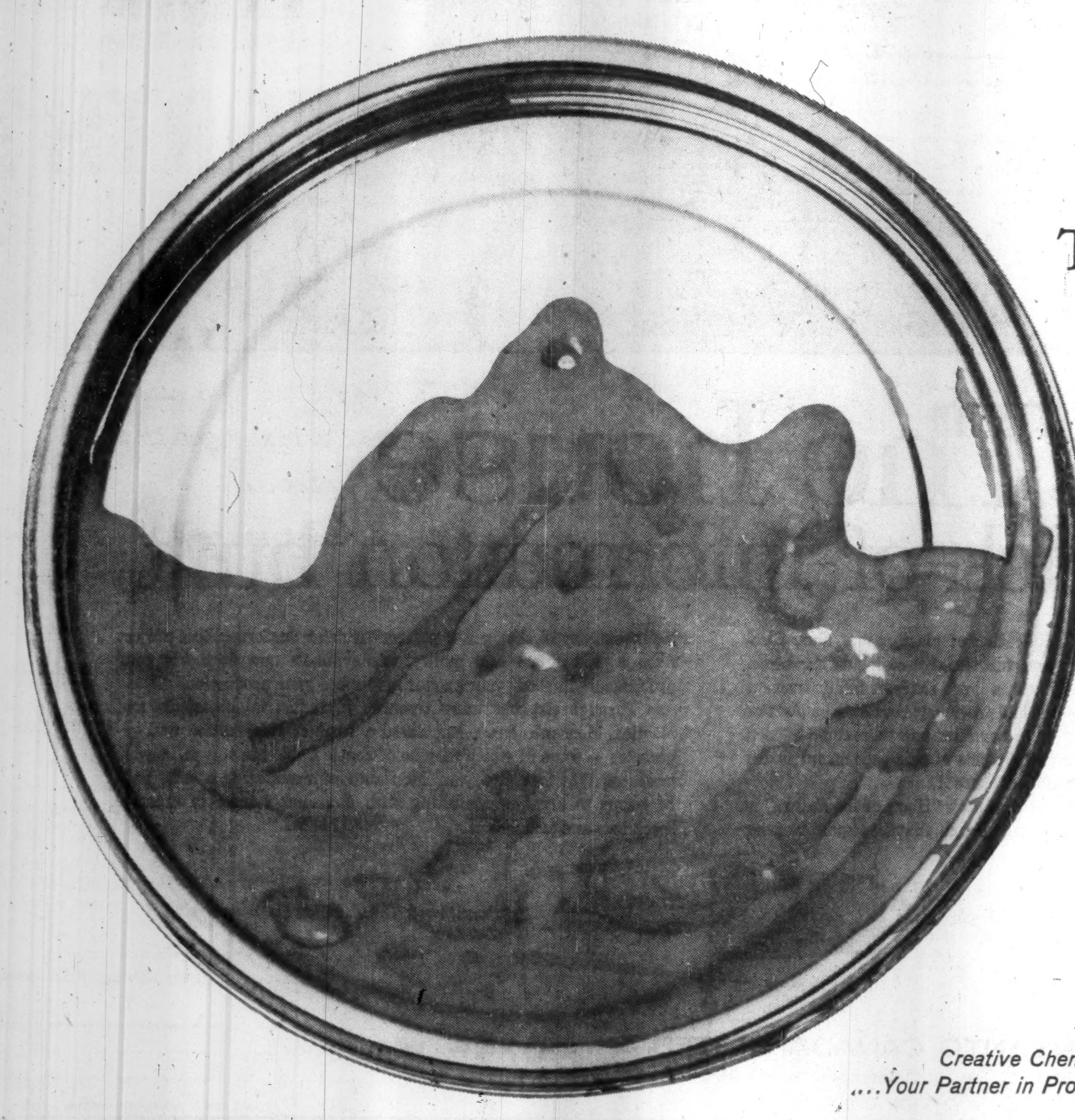
E. A. Ford, Vice-President, Central Region. He is responsible for the Company's operations in Manitoba and Saskatchewan.

R. J. A. Fricker, Vice-President, Western Region. He is responsible for the Company's operations in Alberta and British Columbia.

These officers will all be located at the Company's Head Office in Montreal.

The new organization replaces the former Eastern, Ontario, Western and Pacific Divisions by four new Regions. Three distinct company-wide product divisions also form an integral part of the new structure.

These and other changes are designed to keep pace with the continuing development and expansion of the Company, which has been serving Canada in the fields of construction and engineering for more than 75 years and now operates fourteen plants from coast to coast.



The lid's off on better paint products!

"Technological progress which now permits, for the first time, *'tailoring'* of epoxy plastic resins to specific needs promises to accelerate the growth of these previously limited plastic materials" — *The Journal of Commerce* (italics ours).

That statement was printed in December 1958. Thirty-one years earlier, in Detroit, Reichhold Chemicals, Inc., introduced *its first* unique synthetic resin. That resin was "tailored" for production of quick-drying automotive finishes, an important step forward in 1927.

Ever since that year, RCI has continually been a leader in providing important new developments and technical assistance to help America "lift the lid on better paint products."

As with other resins long favored by the surface coating manufacturer, RCI will "custom-make" epoxies to exacting requirements. RCI offers its EPOTUF epoxy resins as solids, liquids, or esters — and will also supply epoxy solids in any practical solution.

Reichhold makes hundreds of resins for surface coatings. Among other newer ones are isophthalic acid alkyds, melamine-formaldehydes, polyesters, and PVAc, acrylic and alkyd emulsions.

Wherever handsomer, tougher, more uniform and durable . . . in a word, wherever *better* paint products are being developed . . . superior resin technology is vital. If *you* have a problem involving surface coating resins, call on *RCI experience* for help in solving it.

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Hydrochloric Acid • Formaldehyde • Glycerine • Phthalic Anhydride • Maleic Anhydride
Sebacic Acid • Ortho-Phenylphenol • Sodium Sulfite • Pentaerythritol • Pentachlorophenol
Sodium Pentachlorophenate • Sulfuric Acid • Methanol

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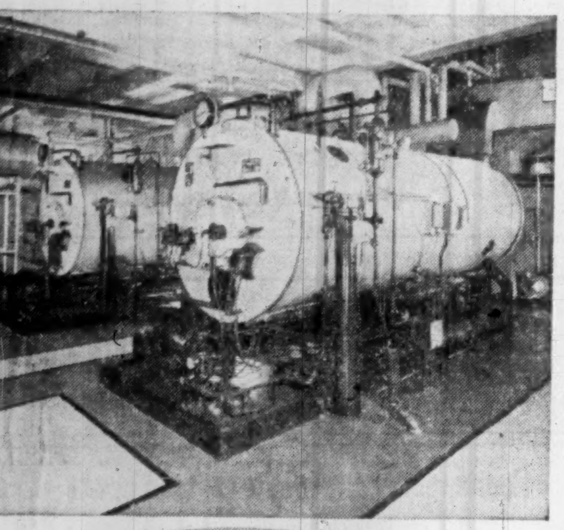

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CHAS. CUSSON BUILDING
MONTREAL, QUEBEC

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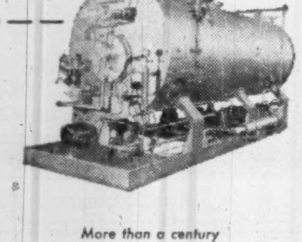
Architect: Gaston Gagnier
Consulting Engineers: Leblanc & Montpetit
General Contractors: Anglin-Norcross Corp. Ltd.
Heating Contractors: Delisle Plumbing & Heating



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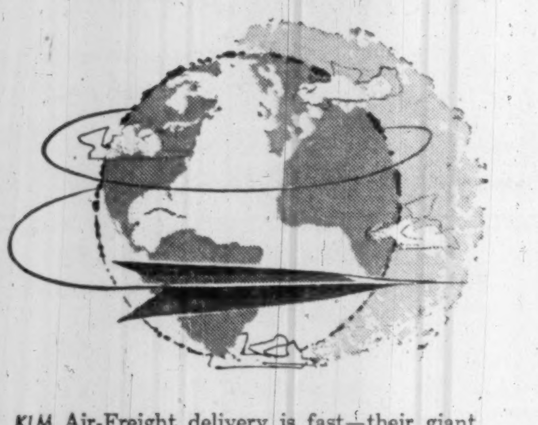

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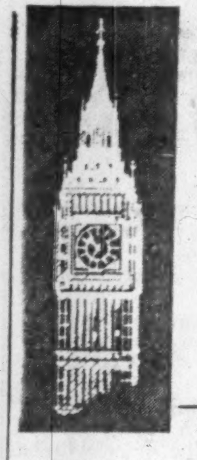

Letter from London

Newspapers are in the news. One blasts another. A third has its leg pulled . . .

By ADELPHI

HOW MUCH RELIANCE can be put in the worthy Dr. Gallup who surveys public opinion with a god-like detachment and then tells the people what they are thinking?

I ask this question because the doctor has given the Socialists a painful headache in his most recent pronouncement.

According to his contemporary survey of the British people only 12% want more nationalization of industry, whereas 28% want more denationalization; 39% think that things should be left as they are and 21% don't know what they think.

Thus Hugh Gaitskell faces a grave dilemma.

Consider the steel industry as an example. When the Socialists swept to power in 1945 the nationalization of steel was duly carried out, but when the Tories came back in 1951 they promptly denationalized it.

Obviously this kind of nonsense cannot go on without infuriating the nation.

But what can Gaitskell do?

If he says that he will repeat the process of 1951 he will anger the steel workers who want to be left alone, but if he decides to leave steel in the hands of capitalists how can he advocate socialism as the alternative to capitalism?

There has been considerable selling of steel shares on the stock market by people who believe that the Socialists will win the next time and they will carry out their policy of nationalization for the simple reason that they have no other policy to put forward.

Unfortunately the popularity of the Conservative Party shows a steady decline even though the popularity of the Socialists shows no corresponding rise.

It is just possible that the general election may be won by the unimaginative but powerful slogan: "It's time for a change."

* * *

In the meantime there is further trouble in the constituencies.

You have no doubt at a distance enjoyed the roaring farce of East Bournemouth where the local Tory association refuses to readopt its sitting member because he did not support Anthony Eden's Suez policy.

Now from Ulster the Tory MP Montgomery Hyde has been disowned by his association because he was one of the leaders in the two campaigns to abolish the death penalty.

Should an MP use his judgment or should he be mere lobby fodder?

Admittedly there would be chaos if a government was not certain of a clear majority when putting forward its legislation, but the hanging issue was a non-party affair and there were no whips to herd the flocks into their normal compounds.

* * *

The normal purpose of newspapers is to publish the news, but every now and then newspapers themselves become news.

Thus it was this week when Hugh Cudlipp, the debonair editorial chief of the Daily Mirror group, which recently acquired control of the vast Amalgamated Press, decided to open fire on the Beaverbrook Press.

Here was the opening blast:

"The gunboat blimps.

"Today, Tory ministers will at last sit down with Makarios in London and — dare we hope for it? — will even possibly talk sense with him.

"Over Cyprus, everytime, harsh reality has proved this Tory Government wrong and the Mirror right.

"But to anyone still buried in the dim and dead colonial past, gunboats and all, we can only recommend the Daily Express. Price 2½d. On every bookstall."

What answer will the Express make?

A dignified silence will be tempting but when did the Express ever fail to retort?

It is good to see newspapers indulging in a free-for-all brawl. My guess is that the Express will show Hugh who's who — or words to that effect.

It is difficult to get away from newspapers for the simple reason that instead of publishing the news they themselves are the news.

There was a roar of laughter from Land's End to John O' Groats when The Times had to apologize to its readers "for having wasted their time with a pack of lies, told publicly and in his official capacity, by Professor Allen, head of the geology department at Reading University."

This is what happened.

Just for a lark a group of high-spirited undergraduates decided that their annual "rag" should take the form of discovering diamonds in the Thames Valley.

To give verisimilitude to an otherwise bald and unconvincing narrative they persuaded the professor to join in the spoof.

Thus the story was planted on The Times as well as the other newspapers and duly appeared as a serious item of news.

When it became known that the whole thing was a spoof The Times solemnly but angrily declared: "Until the matter is cleared up the public will be unable to know whether any future statement coming from Reading University is true or not."

In fact The Times is out of joint, if we may bring Shakespeare into the hilarious affair.

That interesting weekly publication Achievement has this to say of **FP** in its current issue:

"The Financial Post of Canada is one of the best weekly newspapers in the world. It deals brilliantly and comprehensively with economics and finance. At the moment, however, it is depressed in spirit. Certainly there is unemployment as well as a trade recession in Canada but they are no more than mist upon the mirror.

"The mineral wealth of Canada is so great in its potentialities that it is impossible to put a limit to it. The vast unexplored North might well make Canada the richest nation in the world in the years to come."

I make no comment on this outburst, but it is always good to hear about your unexplored North even if it suffers from over-repetition.

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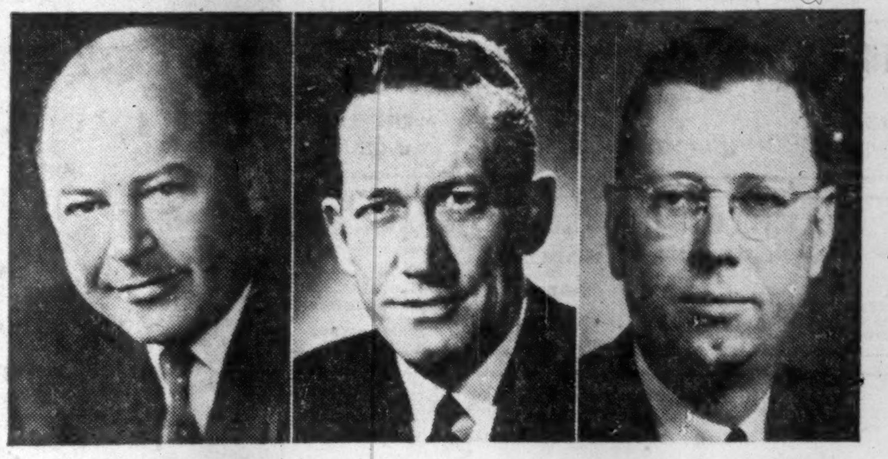
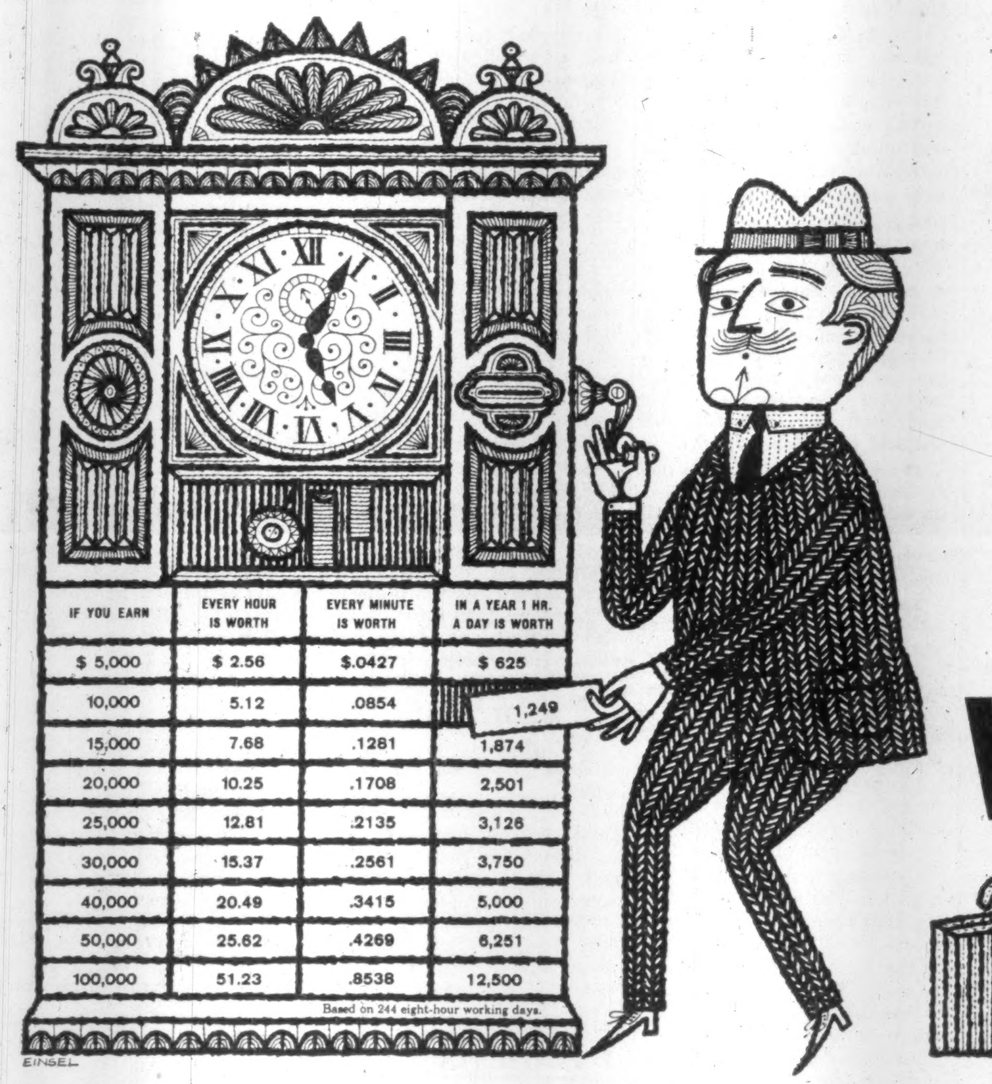
DOSCO EXECUTIVE APPOINTMENTS



CRAWFORD GORDON, JR. — ALLAN C. MACDONALD — ALBERT L. FAIRLEY, JR.

The Dominion Steel and Coal Corporation (DOSCO) announced the following executive appointments recently. Crawford G. Gordon, Jr., as Chairman of the Board; Allan C. MacDonald, as Vice-Chairman and Chairman of the Executive Committee; and Albert L. Fairley, Jr., as President. Mr. Gordon is also President of A. V. Roe Canada Limited, which owns controlling interest of DOSCO and its 31 subsidiaries. Mr. MacDonald is Executive Vice-President, Industrial, A. V. Roe Canada Limited, and Mr. Fairley was formerly Executive Vice-President of DOSCO.



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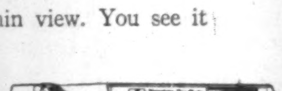
THE NEW DICTAPHONE  **ALL-TRANSISTOR TIME-MASTER**

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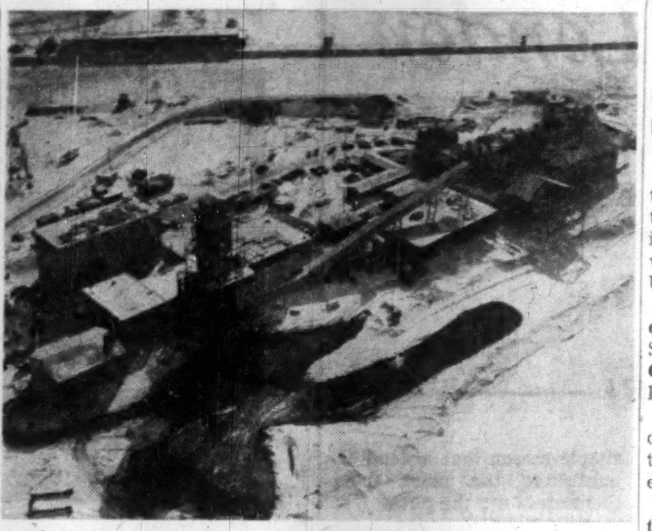

NEW SALT mine, Goderich, Ont.

Highway Salt Aplenty Soon

Sifto's new Goderich mine capacity will almost equal the whole market . . .

By ERIC RICHTER

MONTREAL (Staff) — Canadian salt production will take a big jump this October when **Sifto Salt Ltd.**—a subsidiary of **Dominion Tar and Chemical Co.** —brings its $8.5-million Goderich, Ont., rock salt mine into production:

- **The mine's annual capacity** will almost equal total present annual market for dry salt.
- **It will eliminate** necessity of rock salt imports from the U. S., now running at 200,000 to 250,000 tons per year.
- **It should ensure** ample supplies of salt for highway use, regardless of the severity of the Canadian winter, thereby ending the current "feast or famine" in the highway salt market occasioned by unpredictable weather (**FP**, Feb. 21).

The new salt mine is located at Goderich, Ont., site of one of Canada's early (1866) salt finds and close to another Sifto plant which produces salt by the brining process.

The salt will be mined at the 1,750-ft. level, making the mine one of the deepest in the vast saucer-shaped Michigan Basin salt deposit which straddles the U. S.-Canadian border and is worked in numerous operations in both countries.

In bringing the mine into production, Sifto passed up several salt deposits at higher levels to obtain a purer grade.

Company hopes that salt mined will be 99% pure making it suitable for most uses with the exception of table salt.

The latter is usually at least 99.8% pure.

Production from Sifto's Goderich mine will be marketed largely in Ontario and Quebec. Smaller amounts will be sold to the east and west of the two central provinces.

In addition Sifto hopes to find some export markets in various of the northern tier states of the U. S. Midwest.

In Canada, market for rock salt is divided 40% for highway use, 40% industrial use and the balance miscellaneous.

The major chemical uses include manufacture of caustic soda, chlorine, hydrochloric acid and soda ash.

While degree of purity is a matter of prime concern to industrial customers, impurities—largely gypsum—are of no consequence in salt used to cut snow and ice on the highways.

Until now Sifto — the country's largest producer of evaporated salt—has also been the largest importer of rock salt. Imports will be discontinued when the Goderich mine goes into production.

Reserves at Goderich are estimated at over 50 million tons—sufficient to keep it operating at full capacity for the next half century.

Actual production, particularly in early years, will be below capacity. Company will produce only enough salt to meet market needs.

The salt-mining operation itself is interesting.

Extraction of the salt will be by the room and pillar method, the same process used widely in coal mining. Only 45 ft. of the 75-ft.-thick salt seam will be mined.

Once sufficient space has been created by the mining operations, much of the company's crushing, screening, salt storage and machinery maintenance facilities will be moved underground.

Contrary to the many jokes about "work in the salt mines," a salt mine is a pleasant place.

Walls, ceilings and floors of the underground chambers are white. A salt mine is absolutely dry (the salt itself absorbs any moisture) and temperature at Goderich mine will not vary significantly from 70 F year round.

Machine tools in the underground machine shop, for example, will never rust. Similarly there is no moisture problem in underground storage of crushed, screened salt.

The salt will be brought to the surface by hoist with an initial capacity of 350 tons per hour. Capacity can be increased to 500 tons if required.

On the surface special equipment can load bulk cargoes into ships at 1,000 tons per hour and into railway hopper cars at 250 tons per hour.

The project also includes bulk loading facilities for trucks and a salt bagging operation.

There's an interesting sidelight to the Goderich project.

In creating the mine, Sifto is also building one of the finest atomic bomb shelters in Canada.

Mine workings, in addition to being 1,750 ft. below ground, fan out under the bottom of Lake Huron, thereby acquiring additional protection from the water.

During World War II, various European salt mines were used extensively by the Germans for safe storage of records, art treasures and the like.

Everybody's hoping, however, that the Goderich mine will never have to be put to similar use.

These U. S. Contracts Set Our New Pattern?

The pattern which production-sharing on defence is intended to establish may be indicated by several contracts won by Canadian firms from the U. S.

This is apart from the **Canadian General Electric** (pre-1958 Sage or Bomarc) contract and **Canadair's** order for essential Bomarc components.

If the total number of U. S. contracts is still small, this is to be expected, say defence experts.

It always takes time to negotiate contracts for work of this kind, specially until confidence is established between the firms concerned.

But the hope is that it will become easier as contacts are established and new habits developed.

For example:

- **Canadian Westinghouse is making some Bomarc parts,** for its parent company in the U. S., which is a sub-contractor from **Boeing.**
- **Ferranti-Packard, subsidiary of a U. K. firm,** is making certain components for an airborne communication-radar system.

A case in point is small — 120-employee — **Long Sault Ltd.** at St. Andrews East, Que.

Some 75 of its workers are now producing an order of 23 plastic radomes for USAF costing $28,000 each.

A company spokesman told **FP** that Long Sault had been invited over the last year to bid for the work and had won those orders for which it had the lowest price.

"We have had no trouble at all with Washington and have received the same opportunities as U. S. firms," the spokesman added.

Canadian General Electric has been awarded a $9-million order for production of height-finding radar equipment for the Pinetree system.

The order, made by federal department of defence production on behalf of USAF, is **"among the largest to date for the company's electronic equipment and tube department,"** CGE President J. Herbert Smith says.

It is additional to substantial equipment now being made for the RCAF, Mr. Smith points out.

Most of the equipment will be built at CGE's Royce Works in Toronto but "sizable" amounts of the order will be sub-contracted to Canadian suppliers.

Preliminary work has already started on the project and first unit is to be shipped this year.

The company's electronic equipment and tube department previously had carried out complex engineering jobs for the U. S. armed forces.

Three plants of the department employ some 2,000 persons, including 150 engineers.

Subsidiary of **Varian Associates,** of Palo Alto, Calif., **Varian Associates of Canada,** Georgetown, Ont., now has U. S. defence contracts worth a little over $500,000. One of the contracts is classified.

The company produces klystron tubes for guided missiles and microwave communications.

The klystron tubes comprise about 80% of the company's business and over the next few years, three quarters of its volume will go into filling U. S. defence orders.

The company has a small amount of commercial work and makes one of the tubes for the Dopler-Navigator which **Canadian Marconi** is selling. Six sets were recently sold to **Pan-American** and 12 to **KLM Royal Dutch Airlines.**

The company was set up in 1955 to play its part in an anticipated Canadian guided missile market.

When the "velvet glove" and Sparrow missile programs fell through, Varian turned to the U. S. where it feels there will be a considerable amount of work available in the future.

Canadair's Boeing Order Is Now Foot in the Door

From Our Own Correspondent

WASHINGTON, D.C. — The value of the Boeing contract to Canadair on Bomarc missiles is relatively small potatoes ($1.7 million).

Its significance lies in the fact that this is the first contract of its type awarded a Canadian company in the new U.S.-Canada production sharing effort for defence of North America.

Of further significance, is the fact that the wings and ailerons that Canadair will build will not necessarily be for Bomarcs based in Canada.

The equipment is for Bomarcs in general and this could set the pattern on not restricting the defence-sharing arrangement to equipment only to be used on Canadian territory.

In addition the $1.7 million subcontract probably is the forerunner of other contracts worth many more millions to be shipped to Canadair by Boeing.

"This is the foot in the door" one observed noted here.

For the next couple of years at least, the only business Canadian defence plants will get will be on a subcontracting basis from the prime contractors in the U. S.

Already half a dozen such prime contractors have sent teams to tour Canadian plants to check on their capabilities.

These U. S. companies include Boeing, Burroughs Business Machines, I.B.M., Westinghouse and R.C.A.

In a statement on the defence sharing arrangement, the Pentagon this week said:

"Canadian industry has highly trained scientists, engineers and other skilled technicians and modern equipment, and it is expected that the increased emphasis on production coordination will result in greater utilization of Canadian defence production facilities by U. S. industrial and governmental procurement agencies, in order to assure the most economical and effective use of the capabilities of both countries. . . .

"Groups of officials are also looking beyond the immediate programs in order to work out effective arrangements for sharing the production of future defence equipment.

"To achieve this, the long-term program must be based on Canada's ability to participate in co-ordinated development programs of mutual interest, in time, to production contracts."

Pentagon officials and Canadian observers have been concerned that Congress will become agitated at the sharing of defence production with Canada because it might mean taking some business away from American plants.

With 4.7 million unemployed in the U. S. today, congressmen from depressed areas may well try to sharply reduce the effectiveness of the defence sharing arrangement.

LABOR ROUNDUP

Polymer Asserts Itself, Watch This Touchy Spot

By RAY MAGLADRY

Labor trouble could be coming for Chemical Valley.

It's a touchy situation at Sarnia where **Polymer Corp.** — our only exporter of synthetic rubber — is fighting to hold costs in line as competition gets tougher in world markets.

But the Oil, Chemical & Atomic Workers Union shows little sign of backing down.

At issue:

Company's determination to cut certain cost-incurring items from the old contract and union's strong stand against losing its "rights."

Polymer argues that elimination or modification of these items would permit it to make a monetary offer to the union.

The pattern of the talks, in this respect, resembles the recent **Massey-Ferguson** negotiations (**FP**, Feb. 7) and others where management has tried to apply "corrective" treatment to an old agreement.

At mid-week, the union was preparing to take a strike vote of membership this Sunday. Some 1,600 Polymer employees are affected.

Union, drawing its strength from oil and chemical industries, is accustomed to substantial pay increases and its members are among highest paid workers in Canada.

But Polymer is feeling the squeeze of declining world market prices for synthetic rubber.

Late last year, it cut prices for the first time in six years. Now, new European plants are feeding more supply into the market.

Latest development: A new plant for Australia is in planning stage, scheduled to be on stream in 1961.

• • •

Talks between **Canadian Westinghouse** and United Electrical Workers were more tense at mid-week; as union membership handed officers an affirmative strike vote.

Deadline may be March 9, the date when a union-company negotiating agreement expires. Under the agreement, both parties have promised not to take strike or lockout action before that date.

The independent UE has set its sights high for this key contract in the electrical industry.

Originally, UE wanted a 31c hour package, but has dropped demand to around 25c hour. This is still well above a company offer, reported to be about 11c over two-year contract.

• • •

Steelworkers Union — a big force in both industrial and mining fields — is named largest in Canada with 83,000 members, according to latest federal department of labor survey.

Ranking behind Steel are Carpenters with 76,000 and Auto Workers with 60,000.

The ambitious Teamsters are credited with 37,000 members, sixth largest in the country. Teamsters are known to have increased this figure since the survey.

Altogether, the survey lists total of the organized labor force at 1,454,000 members, gaining 68,000 in 1958.

Toronto has 185,650 workers who are union members compared with Montreal's 158,600 members.

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SELECTED GROWTH STOCKS

This is an exclusive series on 26 Selected Growth Stocks chosen by one of the continent's most prominent and successful investment advisers. Each company will be reviewed here quarterly. This series does not constitute a recommendation to buy.

Asbestos Corp. Production May Be Cut Further in '59

- ***Long-term prospects good, but difficulties in 1959 . . .***
- ***B-A Oil likely to feel impact of crude price cuts . . .***

By NESTOR

ASBESTOS CORP. net profit for 1958 was $4,134,769 or $2.29 per common share, down 20.8% from $5,223,191 or $2.90 per share in the previous year.

Sales in 1958 were down 17% in volume and 19% in value from record results in 1957. This is due to the general business decline in North America and its effect on world commerce.

In addition substantial tonnages shipped in late 1957 in anticipation of an increase in asbestos prices resulted in some curtailment in customers' orders in the past year, President A. L. Penhale says in the annual report, just released.

While long-term prospects are good and will likely correct the condition of overcapacity in the industry at present, "1959 will probably be a difficult year and some further curtailment of production may be necessary," he says.

In 1958 company completed enlargement of the Beaver Mill (now called the King-Beaver Mill) to handle output from both the King and Beaver mines. In December the King Mill was shut down. The new King-Beaver Mill is approaching full-capacity operation.

Capital cost of the changeover at the end of 1958 had reached $5,950,000, slightly more than the $5.5 million originally estimated.

In 1958 company undertook considerable exploration work. Prospecting was carried out on properties in the Yukon and Newfoundland where company has joint arrangements with **British Newfoundland Explorations Ltd.** The programs will be continued in 1959.

In Mexico company has examined four large areas showing asbestos. Option on one property was dropped.

With improvement of economic conditions in the U. S., markets for Canadian asbestos in that country are expected to firm in 1959.

Overseas, Canadian producers are still experiencing pressure from Russian asbestos, which is being offered at prices as much as 15% to 20% below those quoted by North American producers, **FP** understands.

In his report to shareholders, Penhale mentioned the need for better financing arrangements in Canada for export orders.

"Canadian exporters sometimes find themselves at a disadvantage in competing with products from certain other countries whose governments provide exchange and export credit facilities to an extent not usually available to Canadians," he said.

At recent market price of $34⅜, Asbestos stock is 23% above UV level ($28), could rise 86% before reaching OV level ($64). Price is 15 times 1958 earnings of $2.29 per share. Yield is 5.09% at indicated annual dividend rate of $1.75 per share. Price in 1958-59 has ranged between a high of $36¾, a low of $27¾.

* * *

BRITISH AMERICAN OIL CO. net earnings in 1958 are estimated to have declined 35% to $20 million = $21 million compared with $32 million in 1957.

"Rising costs, lower product realization and the curtailed demand for Canadian crude oil had an adverse effect on earnings," E. D. Brockett, president, stated.

Product sales, however, reached a record volume.

FP understands that high volumes have been maintained in the first quarter, chiefly as a result of exceptionally cold weather.

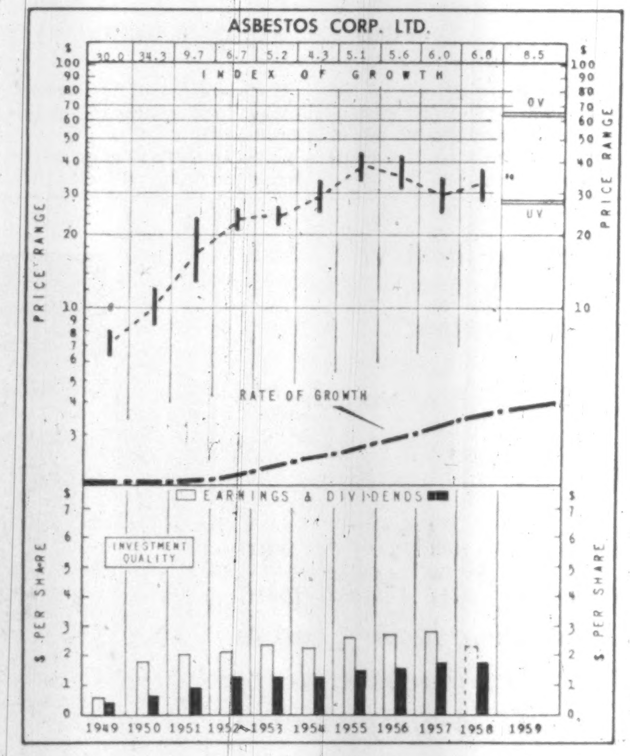
Nominations for purchase of Alberta crude oil rose from 403,715 bbl. per day average in January to 413,660 bbl. in February. Nominations of B-A Oil rose from 59,650 bbl. in January to 70,170 bbl. in February.

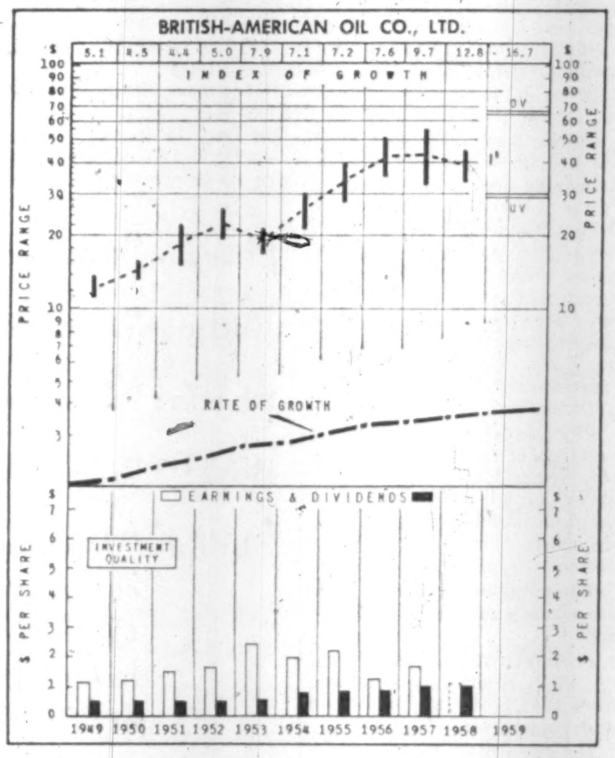
Nominations in March, however, have shown a drop. Total crude oil movement to refineries is estimated at 351,869 bbl. per day, of which B-A's nominations amount to 56,415 bbl. Demand is reported to be down in all market areas with the exception of U. S. Puget Sound. The biggest drop is in Ontario (from 166,700 bbl. to 125,070 bbl.).

The outlook for the oil industry is clouded by the weakening world market for crude oils, with cuts in Venezuela and the Middle East averaging 15c-18c bbl. Industry observers feel that some impact on Canadian producers is inevitable, though the extent cannot yet be estimated.

B-A recently participated in a follow-up discovery on the Berland River gas field (the biggest gas well in the world). The discovery was 3½ miles northwest of the original find, indicating, in the estimate of a consulting geologist, potential ultimate reserves in the region of three trillion cu. ft.

At recent market price of $42¾, common stock is 42% above UV level ($30), could rise 52% before reaching OV level ($65). Price is 40.7 times estimated 1958 earnings of $1.05 per share. Yield is 2.33% at indicated annual dividend rate of $1 per share. Price in 1958-59 has ranged between a high of $45, a low of $33¾.





How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high low and mean price Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS. Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV or OV levels a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1953. A limited number of reprints are available on request.*

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HEADQUARTERS FOR SCALES

New Opposition To Peace Power Appears in B.C.

Just as Peace power developers announce their plans, a government committee speaks its mind . . .

From Our Own Correspondent

VANCOUVER — The dimensions of the Peace River project — the world's largest — have been spelled out.

But as actual design of the main storage dam begins, opposition to the multi-million-dollar venture has appeared from a new and surprising quarter.

The opposition clearly means that British Columbia must make some far-reaching and positive decisions in the matter of public vs. private power before its tangled, rapidly-changing energy picture is clarified.

On the very day **Peace River Power Development Co.** announced the site and dimensions of the main storage dam on the Peace, the British Columbia Legislature's select standing committee on agriculture dropped a small bombshell.

The committee recommended that future hydro power projects of a major nature, and associated transmission lines, be developed by the government utility, B.C. Power Commission.

The recommendation has puzzling aspects:

Social Credit MLAs are in the majority on the committee. Yet Social Credit Premier W. A. C. Bennett is probably the leading exponent of development of Peace power by PRP, which is a private company.

But while the West Coast puzzled over this conundrum, it also studied the newly-announced details of the proposed Peace power project.

The dimensions?

- **The main storage dam** will cost, in stages, from $200 million to $500 million.
- **It would harness the northern river** at a point 16 miles west of Hudson Hope, be well over a mile long (7,750 ft.), rise 500 ft. above the Peace.
- **The transmission line** to the Metropolitan Vancouver area would be 600 miles in length.
- **The main dam,** plus a second dam 12 miles to the east and three additional dams, would generate more than four million hp.—the world's greatest hydro-electric installation.

(If Alberta builds dams on its section of the river, the Peace's output might well reach eight million hp.)

Construction of the main dam will probably start in May next year.

The target — delivery of the first bloc of 500,000 hp to Vancouver and other markets in 1966.

The Peace River power company — organized by Swedish multi-millionaire industrialist **Axel Wenner-Gren** and his associates — is growing in stature and strength, clearly demonstrating that it has the capacity to undertake the Trench project.

Four more major British companies have taken a direct interest in the undertaking by purchase of shares:

- **British Insulated Callender's Cables Ltd.** has bought 235,000 PRP shares.
- **John Laing and Son (Holdings)** has taken 250,000 shares.
- **Taylor Woodrow (Overseas) Ltd.** has purchased 250,000 shares.
- **Close Bros Ltd.** has taken 265,000 shares.

Price to each of the London companies was $1 per share.

British Insulated Callender's are well known in Canada, one of its recent jobs being design and laying of **B.C. Electric's** 132,000-volt submarine cable between Vancouver Island and the mainland.

John Laing and Son, big British construction firm, similarly are well known in this country.

They are a member of the **Grosvenor-Laing** team which is developing two major industrial estates — Annacis Island and Langley Park, the latter a 4,000-acre estate — in British Columbia's Lower Mainland area.

Taylor Woodrow is a large general contractor and developer, and Close Bros. is a large investment house which is currently participating in the construction of a big supermarket in Toronto.

Already associated with PRP are the internationally known **Associated Electrical Industries, Power Securities Corp.** and **British Thomson-Houston.**

Viscount Alexander has resigned from PRP's board of directors, but two new additions have been made: R. H. R. McGill, representing Power Securities Corp., and A. F. Akehurst, representing British Insulated Callender's.

PRP anticipates a major build-up of industry — including petrochemicals, pulp and paper, cement and possibly a uranium diffusion plant — in the north when Peace Power becomes available.

The pulp and paper mill deals are already set, say PRP directors.

President W. C. Mainwaring of PRP discloses discussions have been held with "both pulp and paper people."

He states flatly that they will build their mills in the region just as soon as Peace power is being generated.

Mainwaring declined to disclose the names of the company, but he said their studies have proven that their products, produced in the Peace River area, will be "completely competitive."

PRP plans to sell its power to both B.C. Electric, the private utility serving the metropolitan Vancouver area and lower Vancouver Island, and the B.C. Power Commission, the public power organization which serves most hinterland areas.

The company emphasizes that its power will be delivered to Vancouver at the same price, or less, than BCE's current hydro power.

With an eye on proposed Columbia River development, and Ottawa's interest in same, as well as on Alberta, PRP spokesmen point out that there is no law in Canada which compels them to strike an agreement with the federal government or Alberta before proceeding with Peace development.

They stress also that the Peace, when in flood, now does considerable damage in Alberta.

The PRP dams would regulate the river's flow, hence end this damage — an indirect benefit to the oil-gas province.

The 7,750-ft. storage dam would be of rock and earth fill construction, the materials being available in abundance within two or three miles of the dam site.

Initial engineering studies in 1957 produced 10 potential sites for the main storage dam.

By Nov. 12 last year this had been narrowed to three.

The choice — in the Peace River canyon at the mouth of a gorge — is described by PRP engineers as "excellent."

There is a fall of 180 ft. in the river between the site of the main storage dam — designated as "3A" — and the second dam 12 miles downstream, designated as "site No. 1."

The main dam will be a generating as well as storage installation.

The massive dam will sit astride the Peace at a point about 50 miles west of Fort St. John, centre of British Columbia's oil and gas industry and take-off point for Westcoast Transmission's big-inch gas pipeline to Vancouver and the United States.

PRP's next deadline — the end of this year.

By Dec. 31 it must present to the British Columbia government its detailed, complete and final plan, covering cost of the whole project and its various units, markets where the power will be sold and a positive commitment to proceed.

The government is expected to take three months to scrutinize the plan.

Government approval by March or April will clear the way for a construction start in May, 1960.

The company also faces a massive financing job.

It expects to have signed contracts for power loads from B.C. Electric and B.C. Power Commission and other customers before it starts raising the money in the U. K. and Canada.

How Much Should Cities Pay Aldermen?

From Our Own Correspondent

SASKATOON — How much should a city pay its councilors?

Saskatoon's City Council feels there should be a flat rate of $1,000 annually for aldermen in Saskatchewan cities of over 50,000 population.

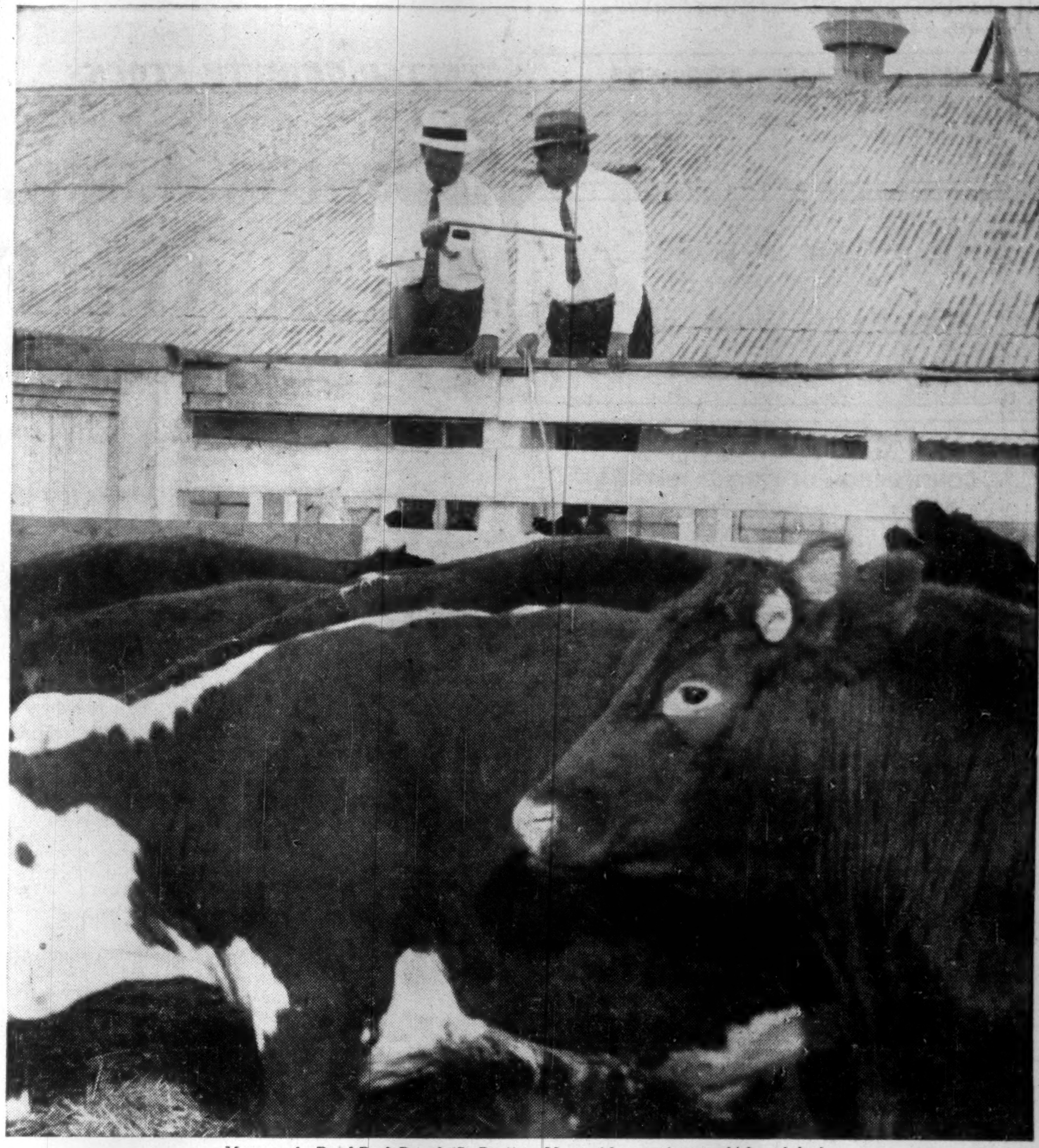
The stipulation now is that aldermen must be paid $10 for every regular council meeting they attend. This means that the pay arrangement does not take into account committee meetings.

Therefore, the Council will work through the Saskatchewan Urban Municipalities Association to get the flat rate.

(In Saskatoon, at the rate of $10 a meeting, aldermen can earn between $500 and $600 a year.)

Including expenses, here's the annual remuneration paid aldermen in some Canadian cities:

Vancouver, $5,600.	**Windsor,** $2,000.
Toronto, $3,000.	**Calgary,** $2,000.
Hamilton, $2,500.	**Edmonton,** $1,800.
Fort William, $2,400.	**Victoria,** $1,500.
Winnipeg, $2,400.	**Port Arthur,** $1,000.
Ottawa, $2,000.	



Manager of a Royal Bank Branch (St. Boniface, Man.) picks up pointers on high-grade beef

Banker gets the "Right Steer"

This Royal Bank manager is learning about his customer's business at first hand. Such visits won't make him an expert judge of cattle, but they will give him a closer insight into the workings of the meat industry . . . provide a better background for a more informed banking service. This habit of seeking information in the field is typical of Royal Bank managers everywhere . . . one reason why the Royal stands so high at home and abroad and why it is Canada's largest bank.

THE ROYAL BANK OF CANADA

Assets exceed 4 billion dollars

OVER 900 BRANCHES IN CANADA, THE CARIBBEAN AREA AND SOUTH AMERICA. OFFICES IN NEW YORK, LONDON AND PARIS

Pete: *"You mean this is a factory?"*

Eddie: *"I'm holding up a factory?"*

Sheila: *"You are, Eddie—both of you are!"*

Boys: *"How come?"*

Sheila: *"Because so many engineers and contractors chose your Plain End Clay Pipe, an all-new factory had to be built just to make enough couplings to fill orders. So this coupling means a factory, see?"*

USE

PLAIN END VITRIFIED CLAY PIPE FITTINGS & COUPLINGS

No infiltration No exfiltration Root-Proof forever

Plain End Pipe from 4" to 24"

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Sales Office: P.O. BOX 18, OAKVILLE, ONT.

Buy Canadian because it's best

Re-introducing Pete & Eddie Registered Trade Mark PE Pipe

Beauty by Sheila Billing Stage & TV Star

Alberta Budget Dips into Till

Biggest budget in the province's history has estimated deficit of $48 million . . .

From Our Own Correspondent

EDMONTON—On the eve of an expected general election, the Alberta government has produced the biggest budget since the province was formed 54 years ago.

It can be regarded as a "rainy day" budget, because the province will dip into the reserves from oil and other sources to finance an estimated deficit of $48,397,128.

The budget reveals a major policy change by the Social Credit government, headed by Premier E. C. Manning, which now has swung to deficit financing.

In the past, the government followed the policy of paying its way out of current revenues.

In the next fiscal year, which opens April 1, the government forecasts a total expenditure of $309,676,358.

The population of Alberta is 1.2 million.

This year, Alberta will have the third highest budget of any province.

Here are some highlights of the budget, brought down in the legislature last week by Hon. E. W. Hinman, provincial treasurer.

- **Record expenditure** of $72,207,980 for highways, an increase of nearly $10 million over 1958.
- **Only major tax change** is abolition of $425,000 a year provincial amusement tax.
- **Total budget** of more than $309 million is more than $40 million higher than previous year's budget.
- **Revenue from oil** and other natural resources is expected to drop by $11,730,000.
- **Alberta Liquor Control Board** revenues expected to increase by $2 million to total of $18 million.
- **Sum of $10,852,000** has been set aside for construction of university buildings in Edmonton and Calgary.
- **Under the first phase** of the government's five-year program, 50 homes for aged will cost $9 million at the start this year. Entire program estimated to cost $16 million.
- **The budget provides** $218,964,824 for ordinary services, $85,711,534 for capital projects and $5 million for loans authorized by statute.
- **Total revenue** from both income and capital accounts is estimated at $261,279,230.
- **Alberta's funded public debt** at Dec. 31, 1958, was $29,152,119.

During the oil boom, Alberta built up reserves totalling more than $300 million.

By dipping into these reserves, the treasury can finance a deficit without increasing the public debt.

The reserves are made up mostly of municipal debentures, bonds, and outstanding loans.

The government may borrow money on the open market and use bonds, debentures and loans as security.

While the government officially will not increase the provincial debt during 1959, it will assume responsibility for $70 million, it is estimated, which the **Municipal Finance Corp.** will borrow this year.

The MFC was set up originally to borrow money on the open market on behalf of municipalities, when provincial revenues were no longer adequate to finance local capital works.

After a year of operation, the MFC was suspended and in 1958 municipalities had to arrange their own financing.

Since, the government announced plans not only to revive the MFC but to extend its scope to school and hospital capital works as well as municipal programs.

The big 1959 budget is due to a number of factors such as:

- **Public health services** will cost $63,745,600, an increase of nearly $20 million over the 1958 budget.
- **Education will cost $74,709,905**, or 24.13% of the total budget and $10 million in excess of last year's appropriation.
- **Public welfare services** will cost $24,764,160, an increase of $10 million and public works is up by $2 million to a total of nearly $13 million.

On the other hand, the government's decision to drop the royalty dividend for citizens, which was $20 in 1957 and $17.50 in 1950, means a saving of $10 million a year.

The funds will be used as part of the outlays for the five-year program.

ANNOUNCEMENT

G. R. YULE

Mr. N. J. McCartney, Vice-President & General Manager of Reliance Electric & Engineering (Canada) Limited announces the appointment of Mr. Glen R. Yule to the Board of Directors. Mr. Yule is Comptroller of the Canadian Operation.

Legislature Look-Ahead

Election Appears Certain Before July in Manitoba

From Our Own Correspondent

WINNIPEG—From the opening day, March 12, this year's Manitoba legislative session will be geared to an almost-certain provincial election.

There isn't a provincial politician in Manitoba who doesn't expect to be on the hustings before the end of June.

But there will be a lot of jockeying before the election day and on this the date probably depends.

The one man who doesn't seem to care how soon the election comes is Premier Dufferin Roblin who will be leading his minority Conservative government into its first regular House session.

With 26 members in the 57-seat legislature, Mr. Roblin can be defeated in the House anytime the CCF's 11 members and the 19 Liberals care to vote together against him.

But in the two-week special session last fall, Mr. Roblin was never near defeat because the opposition parties, and especially the CCF, were careful to give him a majority on every confidence vote.

Spokesmen for the opposition parties claim things will be different at the coming session and some see a defeat for the government in the first 10 days or two weeks.

The test of these intentions will come in the throne speech debate, probably on a CCF non-confidence motion.

The pattern of last year's special session became clear at this point when the CCF made this motion an omnibus outline of socialist policies to prevent the Liberals from voting for it.

If the CCF this year makes its motion one which the Liberals can support, the vote could bring an immediate election.

In this case, the province would vote about mid-May and the Roblin government's throne speech would immediately become its election platform.

Since the throne speech is likely to forecast expansion of most government services, this would suit Mr. Roblin perfectly.

For the Opposition, the alternative is to let the government survive the throne speech debate and hope to find a favorable election issue later in the session.

This could make the election date later, probably in June.

Even if undefeated in the session, Mr. Roblin will probably call an election immediately after it.

Despite the major pieces of legislation on schools, roads, and farm and industrial credit which were put on the books at the special session, the government has a full program which could keep the House busy until well into May if a dissolution doesn't come sooner.

Mr. Roblin has already promised a "sunshine" budget with no tax increases. Acting as his own provincial treasurer, the premier sees rising revenues in the coming year.

He's optimistic that the provincial economy will shake off the remaining effects of recession.

But the modest rises in revenue probably won't be enough to offset the more ambitious spending program of the government.

Already authorized to borrow $33 million for road building, the province may increase the total at the session.

This means that the revenue account will be balanced at about $85 million but the total government spending will be $120 million or more.

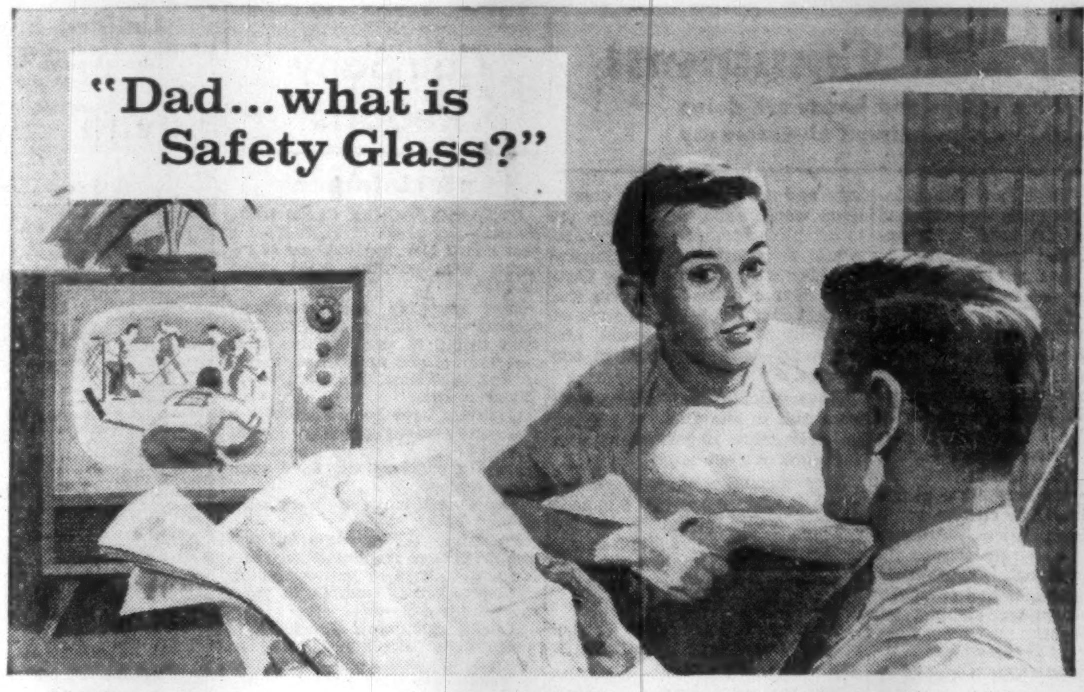
This corresponds to total spending of $105 million during the current fiscal year, including $24 million borrowings for road building.

The Roblin cabinet, which has shown administrative strength since taking office eight months ago, will go into the session unchanged.

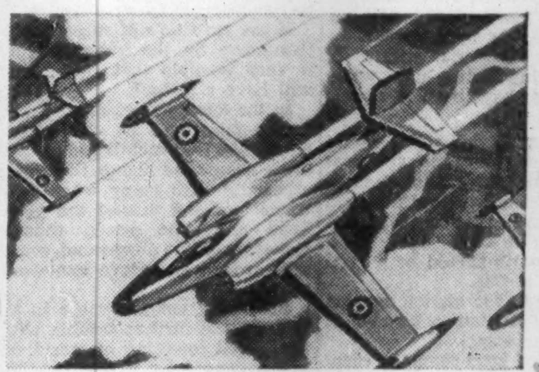
But Conservative backbenchers will be eyeing the double portfolios carried by Mr. Roblin and three of his colleagues. The present nine-man cabinet will probably be expanded after the election if the Conservatives win.

The Roblin government is now roughly in the same position as the Diefenbaker government a year ago.

Although a Diefenbaker-type landslide is unlikely in the coming election, there seems little doubt that Mr. Roblin will get a clear majority.



"Well son, ordinary glass breaks quite easily and leaves long, jagged pieces with sharp, dangerous edges. Safety glass is made to do a certain job more safely. There are different kinds. For instance, the glass in the front of our TV set is called '*toughened glass*'. If it gets hit hard enough to break it, the sheet is transformed into a myriad of tiny harmless granules.



"Another kind, such as our car windshield, is made with a sheet of vinyl between two pieces of glass like a sandwich. The vinyl is sealed to the glass so tightly that if the glass did break, the vinyl would hold the broken fragments safely in place. This safety factor is important to us.

"Then there's the kind of glass used in high speed airplanes. It's made like a Dagwood Sandwich—with many sheets of glass separated by clear vinyl."

These are just three applications of safety glass. Duplate Canada Limited are specialists in the manufacture of safety glass for home and industry.

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LE SABRE *The thriftiest Buick*
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ELECTRA *The most luxurious Buick*

...says so much about your own good taste!

A car is very personal. It tells much about its owner. And this is truer of Buick than any other car. Its long, sweeping lines, accented by a restrained use of chrome, reveal your appreciation of the very best in design. Its gracious, well planned interior expresses a love of genuine luxury. And the feeling of confidence and control that every Buick driver knows, emphatically demonstrates that this is, indeed, the finest of automobiles. *Drive it...* and let your own good taste decide.

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M-1259C

Market Comment

What stocks and bonds are doing and what prominent observers say

The New York Dow Jones industrial average this week pushed through the 600 level with apparent ease. The break-through to new levels has yet to be substantiated by the rail stock average.

A notably easier tone entered most Canadian oil stocks reflecting lower world oil prices and the weaker competitive position of Canadian oil. Washington's forthcoming action on new oil import controls will have a considerable bearing on price trends.

World copper markets continue buoyant with U.S. custom smelters advancing prices. Another rise in price of virgin copper appears imminent. Established Canadian producers and prospects were active under stepped up buying interest.

* * *

IAN A. BONGARD; Bongard & Co. (Toronto)

The Toronto industrial market, during the past few weeks, has been trading in a relatively narrow range at or near its all-time high, based on the TSE industrial averages. To a large degree it has been a selective market with individual stocks and groups of stocks moving to new highs while other groups have been relatively dormant.

The recent market action would indicate that investors are now again waiting for confirmation as to how business conditions in general and what earnings in particular will be during 1959. First-quarter reports should be a good indication of this.

At this time the market appears to be in a position to be able to move either way.

Continuing good company earnings and general business conditions would send the market up to establish further new highs, as would the continuing inflationary thinking we have had in the past. Any degree of bad news in the market or any substantial signs of controlling inflation would undoubtedly cause a sell-off in our market.

Governmental fiscal policy, both here and in the U.S., is playing an ever more important role in the stock market.

Any sign that either government could have a balanced budget would probably be the tip-off for a major sell-off in the stock markets. Also, the ability of the governments to sell long-term bonds would indicate the same.

At present there is no sign of either government being able to accomplish these feats.

Our market, of course, is affected by the New York market. The recent breakthrough of the Dow-Jones industrial averages to above the 600-point mark, at present unsubstantiated by the rails, leads to considerable speculation.

If the rails do not substantiate this move by the industrials, it is very possible that New York will have a sell-off.

In the mining market, we think that copper will be the leader among the base metals and should move somewhat higher this year, especially with many wage contracts expiring during the year. Lead and zinc prices, though presently on the downtrend, could turn around and move somewhat higher.

Oil stocks would appear to be in for some further trouble with the recent lowering of world oil prices caused by excess production.

The gas producing and utility stocks could tend to higher levels as this extremely cold winter has given considerable impetus to their sales.

* * *

THADEUS SOLOWIJ; L. G. Beaubien Co. (Montreal)

The rise in stock prices has been much more pronounced than the over-all improvement of the economic situation. Company profits increased in the second half of 1958 and one can await a further improvement this year. There is, however, no doubt that the present stock level remains high.

However, as the profits in 1959 improve, there is some chance that the market will continue to rise.

The sections which at the present time are the most promising are: steel, building materials, certain utilities, food store chains, consumer industry and banks.

Among the exporting industries, pulp and paper and iron ore will profit from the increase in foreign demand.

For the non-ferrous metals, the prospects are less promising. The oil companies' shares which have not participated in last year's advances could well rise.

In fact, the profits of integrated companies should improve this year under the effect of increased demand for their refined products.

Furthermore, in spite of the possible decrease in the price of crude oil, this section could well attract foreign capital in quest of an investment sheltered from political risks.

If the market offers possibilities of interesting investment, one must search for them in good-quality stocks and avoid switching to stocks of inferior quality, solely because their prices have not progressed.

I believe that the fears of inflation in the immediate future are exaggerated and thus the bond market, certainly that of short and medium terms, presents interest not only because of very high yields.

It is thus necessary to retain a substantial reserve in this type of investment.

* * *

W. V. MacINNES; T. A. Richardson Co. (Toronto)

The market, as measured by the Dow Jones industrial averages and by our own industrial index, continues in a rising trend with abundant technical evidence suggesting a continuation.

The underlying money data continue to support a rising stock market and no evidence of distribution generally can be detected.

Over-all, the market has been rather selective with interest continuing in the defensive industries and more particularly in the consumer industries. Only a sustaining interest in national resources stocks is evident.

While fear of inflation is given as one of the reasons for a rising stock market, normally such interest creates activity in the extractive or natural resources type of stocks.

It is interesting to see that these stocks generally are not included in the advancing groups. Mainly this stems from a fairly good supply position of commodities.

Apart from selective situations which individually may be newsbearing in their own right, natural resources stocks may not attract the attention they have received in other years for some time.

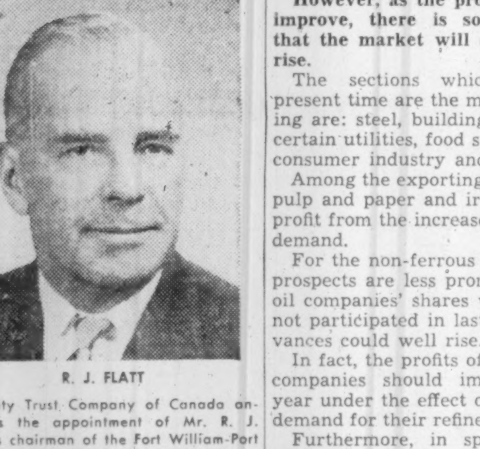
$1.7-MILLION CONTRACT

From Our Own Correspondent

SASKATOON — **Bird Construction Co.**, of Regina, has been awarded a $1,749,000 contract to construct an auditorium and offices in the new arts building at Saskatchewan University. **W. C. Wells Construction Co.**, of Saskatoon, is building the classroom wing for $598,970.

ANNOUNCEMENT

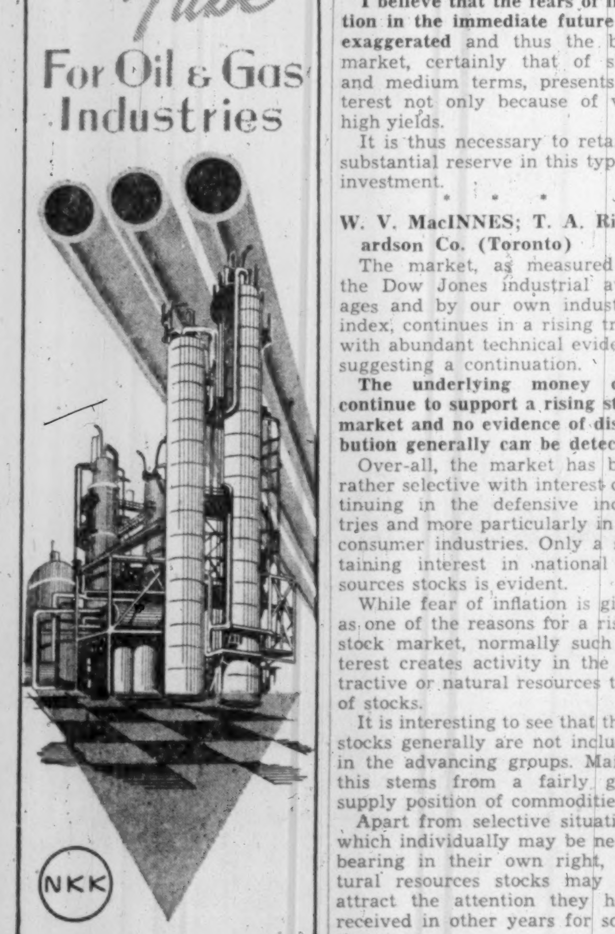
GUARANTY TRUST APPOINTMENT



R. J. FLATT

Guaranty Trust Company of Canada announces the appointment of Mr. R. J. Flatt as chairman of the Fort William-Port Arthur Advisory Board of the Company. Mr. Flatt is President of G. R. Duncan & Company Limited, also President of Northern Builders Sales Limited.

Pipe & Tube For Oil & Gas Industries



NKK

Foremost producer of steel pipe and tube of all types

NIPPON KOKAN K.K.
(Japan Steel & Tube Corporation)
Ohtemachi, Chiyoda-ku, Tokyo
Cable: STEELTUBE TOKYO

Bond Tenders

5.00 P.M., Feb. 25, 1959, Municipality of the County of Pictou, N.S. — 5¼% 1-20 year debentures, $134,000. Dated Mar. 1, 1959.

5 P.M., Mar. 3, 1959, City of Sydney, N.S.—5¼% 1-20 year debentures, $500,000. Dated Mar. 1, 1959.

12 Noon, Feb. 26, 1959, Government of Canada Treasury Bills — Payable May 29, 1959, $115,000,000. Dated Feb. 27, 1959.

Company Reports

Entertainment

ONTARIO JOCKEY CLUB LTD., Toronto, net profit of $1,150,156 for year ended Nov. 30, 1958, was 32.1% higher than previous fiscal year's $870,787.

New wagering and attendance records were attained for thoroughbred racing at each of the three race courses and for harness racing at Old Woodbine, President E. P. Taylor reports.

Contracts have been awarded for two more sections of the new grandstand at Old Woodbine which will include a cafeteria and 4,400 additional seats.

Two 48-stall barns are being built at Fort Erie.

Plans for 1959 include a full season of 196 days of thoroughbred racing and 49 days of harness racing. Patronage should continue to grow, the president predicts.

Annual meeting is March 10, at which time shareholders will be asked to approve a change in name to **The Jockey Club Ltd.**

INCOME ACCOUNT		
Year Ended Nov. 30:	1958	1957
Net earnings	$2,843,420	$2,297,604
Less: Deprec.	560,387	519,812
Income taxes	640,000	400,000
Debent. int.	488,157	500,820
Minority int.	4,720	6,185
Net profit	1,150,156	870,787
Less: Divds.	587,251	587,587
Surplus for year	562,905	283,200
Times Debenture Interest Earned:		
Before deprec.	5.82	4.59
After deprec.	5.09	3.55
Earnings per Share and Dividend Record:		
Preferred	$2.55	$1.93
Paid & pay.		
6% ser. A	0.60	0.60
5½% ser. B	0.55	0.55
Common	0.27	0.19
Paid & pay.	0.10	0.10
Shs. o/s at Nov. 30:		
6% pref., $10 par	290,180	290,930
5½% pref., $10 par	159,964	160,664
Common, n.p.v.	3,252,324	3,246,524

CONDENSED CONS. BALANCE SHEET		
As at Nov. 30:	1958	1957
Cash	$900,723	$32,284
Accts, etc., rec.	103,588	74,072
Prep. exp.	178,676	118,819
Total curr. assets	1,182,987	225,175
Cash on dep.	730,800	......
Misc. assets	759,888	602,325
Fixed assets♦	19,978,772	18,914,282
Excess cost over bk. val. subs.	2,788,525	2,760,223
Total assets	25,440,972	22,502,005
Accts., tax., etc., pay.	1,360,031	1,530,572
Divds. pay.	228,138	228,057
Total curr. liab.	1,588,169	1,758,629
Minority int.	38,544	33,022
Funded debt	11,679,000	9,120,000
Capital stock	9,819,750	9,819,750
Earned surplus	2,315,509	1,770,604
♦After deprec. of	2,930,537	2,434,414
Working capital§	405,182	1,533,454

§Excess of curr. liabs. over curr. assets.

Mutual Funds

	Divd. pd. cents ▴	Bid	Ask.
All-Can. Com. Fd.	(29.37)	7.81	8.49
All-Can. Div. Fd.	6+1(24)	6.48	7.04
American Growth	(28)	13.87	15.12
Assoc. Investors	(33)	8.46	8.55
Can. Invest. Fund	8(34)	9.41	10.32
Canafund	(125)	38.97	40.92
Champion Mut. Fund	(20)	5.64	6.20
C'wealth Inter.	9(30)	8.17	8.98
Corporate Inv.	8½(34)	9.45	10.27
Diversified Inc. B	5.4(11.6)	...	...
Dom. Equity I.	(40+12)	15.50	15.84
Dom. Comp. Fund		10.48	10.90
Do. nonres.		10.47	10.89
Dominion Funds	7.5	10.41	10.83
Group Accum.		5.51	6.02
Grouped Inc. (n.)	(20)	4.02	4.39
Growth Oil & Gas		7.97	8.37
Invest. Growth	(6.5)	6.32	6.84
Investor's Mut.	▪8(32)	11.53	12.46
Leverage Fund	(17)	6.54	7.19
Mut. Acct. F.	(23.42)	7.71	8.43
Mutual Bond		6.03	6.31
Mutual Income	6.29(22.73)	5.43	5.93
North American		9.19	9.99
Regent Fund Ltd.	(20)	5.60	6.15
Sav. & Inv. Mutual	4½(17.5)	5.51	6.02
Sup'vised Amer.	(12)	7.11	7.64
Sup'vised Executive (1955)		38.44	...
Sup'vised Executive (1956)		31.53	...
Sup'vised Executive (1957)		5.40	...
Sup'vised Executive (1958)		5.76	6.01
Sup'vised Gr'th Fund	(3)	1.95	2.10
Sup'vised Inc. Fund	(17)	4.14	4.46
T.V. Electronics	8(▪76½)	...	...
Timed Invest.	(22)	†6.00	*6.00
Trans-Can. A	(97)	31.60	...
Do. B	(95.8)	29.50	...
Do. C	8.4(20)	6.05	6.65
United Accum. Fund	(23)	14.89	16.18

†Less or (*) plus stock exchange commission.

▴Paid or payable in 1959, total paid in 1958 in parenthesis.

▪Of which 43¾ cap. gains dist. in 1958.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 24, 1959.

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	148	150	148
Bell Telephone	5	'72	98½	101	99
Bowater Pr. Co.	3½	'80	83	86	84
Brazilian Traction L. & P.	4½	'70	80	83	80
B. C. Electric	5½	'88	93	96	93
Do.	5½	'77	99	101	99
B. C. Telephone	5	'82	95	98	95
Calgary Pwr.	3½	'72	85	88	85
Consumers' Gas	5	'78	97	99	97½
Gatineau Pr. D	3½	'70	85	88	85
Gt. Lakes Pr.	5½	'77	112	114	112
Maclaren-Quebec Power	3	'69	86	89	86
Mexican L. & P.	5	'75	83	86	84
Nat. Lt. & Pr.	4½	'61	98	101	98
North. Que. Pr.	4½	'67	91	94	91
Power Corp.	5½	'77	100	103	100
Que. Nat. Gas	5½	'85	95	98	94
St. Maurice Pr.	3½	'70	85	88	85
Shaw. W. & Pr.	4½	'76	96	99	96
Tr. Can. P. L.	5.85	'87	96	99	96
W'coast T. Deb.	5½	'88	83	86	84
Industrial Issues:					
Abitibi Pr. P.	6½	'77	106	109	105
Do.	4	'74	90	93	90
Acadia-Atlantic Sugar	4	'74	86	89	87
Alum. of Can.	4½	'73	93	95	92
Bathurst P. & P	5½	'73	96	99	96
Bicroft Uranium	5	'62	95	98	95
Can. Bread	4½	'67	89	92	89
Can. Cement	5½	'76	99	102	99
Can. Steamship	4	'66	93	...	93
Cdn. Brew.	4½	'81	90	93	90
Cdn. Canners	3½	'70	86	89	86
Cdn. Celanese	3	'62	92	95	92
Cdn. Chem. Co.	5½	'71	88	91	88
Cdn Industries (1954) Ltd.	3½	'74	87	90	87
Cdn. Dyno	6	'63	90	93	90
Cdn. Oil	4	'76	87	90	86
CPR	3½	'72	86	89	86
Can-Met	5½	'63	82	84	81
Cockshutt F. Eq.	4½	'65	90	93	90
Cons. Denison	5	'62	98	101	97
Dom. Fdries.&S.	4½	'69	94	97	94
Dom. Stores	5½	'76	101	103	100
Dryden Paper	4½	'74	90	93	89
T. Eaton Acc.	4½	'74	94	...	94
T. Eaton Realty	5½	'76	99½	101	100
E. B. Eddy	4	'74	82	85	82
Elk Falls Co.	5	'75	90	93	90
Gen. Mot. Acc.	4½	'69	95	98	95
Gt. Lakes Pap.	5	'76	94	98	94
Gunnar Mines	5	'60	100½	102½	100
Hud. Bay O.&G.	4	'75	85	88	85
Husky Oil	5	'69	90	...	90
Imp. Tobacco	3	'70	85	88	85
Imp. Oil	3	'69	86	88	85
Ind. Accept.	6	'77	102	105	102
Loblaw Groc.	6	'77	103	105	103
Lorado Uranium	6	'62	72	75	74
Maple L. M.	3½	'63	96	...	96
Massey-Ferg.	4½	'76	89	92	89
North Cdn. Oil	5	'75	80	85	80
Northspan	5½	'63	78	81	78
Ont. Jockey Cl.	5½	'72	88	91	87
Phillips Elec.	5	'73	89	92	89
Price Bros.	3½	'66	90	...	90
Pronto Uranium	5	'60	99	102	99
Regent Refining	4½	'75	88	91	88
St. Law. Corp.	5	'72	96	99	96
Salada-Sh.-H.	6	'77	102	104	103
Simpsons-Sears.	4½	'79	95	98	95
Simpsons Ltd.	4½	'73	93	97	93
Steel of Can.	2½	'67	86	89	86
Traders Fin.	4½	'71	92	...	92
Union Accept.	5½	'68	95	98	95
Un. Grain Gr.	3½	'70	83½	86	83
Weston, Geo.	4½	'71	94	97	94
CONVERTIBLE ISSUES					
Abitibi P. & P.	4½	'66	105	107	105
Atlas Steels	5	'67	114	...	116
Braz. Trac. L&P	4½	'71	73	77	73
CPR	3½	'66	88	91	89
Do.	4	'69	98	100	98
Cockshutt F. Eq	5	'68	95	99	95
Home Oil	5½	'71	121	125	121
Shaw. W. & P.	5½	'72	119	124	118
Westcoast T.	5½	'88	97	100	98
Loblaw Groc.	4½	'76	173	178	172
Phillips Elect.	5½	'70	94	97	94
Silverwood Dair.	5½	'72	104	....	104
Triad Oils	4½	'71	91	...	91

Unlisted Stocks

(Compiled by Interoity Securities Corporation Ltd., Toronto)

Feb. 23, 1959

	Bid	Asked
Algoma Cent. (new) pfd.	$65.75	$66.75
Anglo Can. Tel. A	42.50	44.50
Brinco	4.00	4.50
Brinton Peterboro. Carpet	36.00	39.00
British America Assce.	113.00	117.00
British Mtge. & Trust	235.00	245.00
Can. Admiral Corp.	....	16.00
Can. Canners B	10.25	....
Can. Corp. Management	6.75	7.25
Can. Crushed Stone 6% pfd.	97.00	101.00
Can. & Foreign Securities	10.00	11.50
Can. General Insurance	....	625.00
Cawthra Apts.	51.00	....
Commercial Finance	53.00	....
Commercial Life 20% pd.	32.00	....
Concourse Bldg. V. T.	100.00	....
Copp Clark 6% pfd.	90.00	95.00
Crown Life Insurance	154.00	158.00
Debenture & Secs., 5% pfd.	78.00	....
Dom. Can. Gen. Insurance	66.00	....
Dom. Linseed Oil, units	3.50	....
Dover Industries	7.25	7.75
Do. 6% pfd.	9.50	10.00
Eastern Trust Company	25.00	....
Essex Packers, com.	2.00	....
Do. pfd.	30.00	....
Excelsior Life	150.00	....
Goderich Elevator	23.00	24.00
Granite Club	13.75	14.25
Gt. Brit. & Can. Inv., com.	19.50	21.00
Do. pfd.	92.00	97.00
Great West Life	288.00	294.00
Guar. N. Amer. fully pd.	335.00	360.00
Do. 20% paid	91.00	100.00
Halifax Insurance	17.50	18.50
Halton & Peel Trust	11.75	....
Hart Battery ('57), units	3.50	....
Hees, Geo. H. $6.00 pfd.	40.00	....
Highland Dairy, 5% pfd.	....	40.00
Industrial Life	65.00	....
Industrial Mtge. & Trust	77.00	85.00
Ingersoll Machine 5% pfd.	85.00	....
Ingersoll Machine & Tool, B	5.25	5.75
Jenkins Bros.	64.00	68.00
Lambton Loan Sarnia	80.00	....
London Can. Inv. $3 pfd.	43.00	46.00
Do. A	38.00	41.00
London Life Insuarance	188.00	195.00
Lord Simcoe Hotel A	1.35	....
McCarthy Milling A	2.50	....
*Manufacturers Life	252.00	258.00
†Do.	250.00	257.00
Maritime Life	120.00	....
Maxwell 5% pfd.	77.00	80.00
Meadowvale Development	3.85	4.15
Monarch Life, new	40.50	....
National Life, 100% paid	500.00	....
Mutual Finance Corp., pfd.	.75	....
Park Lawn Cemetery	2.25	2.50
Pembroke Electric Light	75.00	....
Phillips Electrical	7.25	8.25
Prairie Royalty Trusts	1.50	....
Prudential Trust	21.00	....
Scott Misener Steamships	14.00	....
Sincennes McNaughton Line	8.25	....
S.K.D. Mfg., 6% pfd.	6.80	....
Sovereign Life 25% paid	213.00	225.00
Standard Fuel pfd.	34.00	37.00
Steelman Gas	6.75	7.50
Teleflex Limited new	11.50	....
Thorncliffe Park	12.75	13.50
Tor. & London Invests.	2.40	2.80
Toronto Medical Arts Bldg.	70.00	....
Trans-Canada Freezers	2.83	....
Transportation Bldg. Mont.	9.00	....
Triarch Corp.	112.00	115.00
Universal Cooler, 5% A pfd.	....	72.00
Do. B pfd.	....	6.00
Waterloo Mfg.	9.50	....
Waterloo Trust	38.00	....
Westcoast Transmission	19.00	19.50
Western Assurance	78.00	85.00

*Pledged for sale to company.
†Unpledged free shares.

By Kippen & Co. Inc., Montreal		
Consolidated Theatres A	6.50	8.00
Do. B	2.50	4.00
Cuban Canadian Sugar	2.00	....
Dupuis Freres pfd.	19.00	21.00
Guar. Co. of North America	230.00	360.00
Great Britain & Canada	19.00	21.00
Hart Battery Units	2.50	4.00
Hudson's Bay Co. (new)	24.00	24.75
London Canadian A	38.00	42.00
Maritime Tel. & Tel.	17.00	17.50
Mtl. City & Dist. Svgs. Bk.	46.00	48.00
New Brunswick Tel.	11.75	12.50
N. S. Light & Power	14.00	15.00
Ont. & Que. R. 5% cap. Stk.	105.00	....
Prudential Trust Co.	18.00	....
Westcoast Transmission	19.25	20.00

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$25.88	$25.59	$21.00
Hogs	24.00	24.00	29.00
Copper, lb.	.30	.30	.25
Coffee, lb.	.45⅝	.46	.53¼
Sugar, raw, lb.	.0546	.0550	.0568
Hides	.20½	.20	.14½

Weekly Commodity Indices

Dow Jones Fut.♦	145.43	145.36	156.02
U. S. Labor*	119.4	119.4	119.1

Monthly Price Indices

	Latest month	Previous month	Same month last yr.
Canada (D.B.S.):			
Retail C.P.I.* (Jan.)	126.1	126.2	123.4
W'sale* (Dec.)	229.1	228.5	226.1
C. F'm Pr.* (Dec.)	217.6	212.1	204.6
U. S. W'sale (Oct.)	119.0	119.1	117.8
Gt. Br. W'sale♦ (Sept.)	112.5	112.5	112.0

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

*Base years 1947-49=100.
♦Base years 1924-26=100.
♦Base year 1954=100.

Unlisted Mines & Oils

(By Brokers Dealers' Assoc. of Ont.)

Approximate quotations, 3.30 p.m., Feb. 23, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abbicon	19	21	Manecho	6	8
Abeta	6	7	Mar Brd	8	10
Aconic	75	85	Mat Can	7	9
Do vt	53	58	Maree	1	4
Advance	*6	7	Mate Yel	5	7
Alexand	9	10	McCuaig	6	7
Ama Kr	2½	3½	McFinly	*6	7
Anabar	2	4	Matt L	475	5½
Anamo	2	3	Miles RL	3	5
Anuwon	*9	11	Millkirk	—	8
Arctic	*3½	4½	Mindus	100	115
Barima	†12	14	Mirado	10	12
Beacon	3	5	Mt Keno	1½	[illegible]
Belfast	6	7	Montco	3	5
B Jck P	4	5	Murk F	68	73
B Grass	†2½	3½	Murmac	2	3
B McD	8	10	Mury M	†28	30
Bour C	1	3	Nasco	2½	4
Brace	*29	31	Nat Nw	19	21
Braminco	8	9	Nw Aug	7	8
Bright	*4	6	N Cmp	—	40
Brilund	†4½	6	Nw Met	3½	5
Bruce P	10	13	N Isco	6	8
Brunette	*5	7	N Redwd	†4	5
Buchell	2	3	N Wal	†3	4
Camdeck	3	5	Nickel L	2	3
Cam'ren	6	7	Nickel O	9	10
Camray	*2	4	Nicola	4½	6
Cn-Fer	*112	118	Nipir	17	19
C Rd C	*27	31	Norbeau	60	65
C All M	2	4	Normar	3	4
Cn Man	7	9	Ocean	110	120
Cnt Hill	*16½	17½	Oklend	6	7
Chellew	†5	7	Orofino	8	10
Caral	6	10	Ortona	1½	3
Clinges	†4½	6	Pacemk	7	10
Clix	3½	4½	Ponthr	90	100
Columbr	3	4	Parmlee	†30	35
Columbin	½	1½	Pascallis	16	19
Comstock	3	5	Pax nw	25	35
Con Cop	14½	16	Peach	1150	1250
Con Hrp	6½	8½	Pelangio	2	4
Cn Fred	40	50	Pickering	6	8
Crack S	†5	6	Picton	5	6
Cordell	3	6	Pin P	975	1025
C Vauze	140	150	Pitchvn	10	12
Craibbe	†45	48	Prudent	47	50
Croydon	3	5	Quej	*6½	8
Derlac	5	6	Quest	½	2
Desmont	1	2	Raglan	15	18
Despina	2½	3½	Rahil M	†14	16
Destrad	2	3	Rand M	6	8
Dom Ex	†48	52	Red Brk	2½	3½
Dunvegn	6	7	Redcon	*17	19
Durham	2	3	Redruth	2	3
East Lun	2	4	Rhyolit	1½	2½
Echo Ind	½	1	Richgrp	4½	6
E Bon	5½	6½	Rio Ti	168	170
Farcroft	2	3	Rob RL	*24	27
Flicka	3	4	Romar	4	6
Forty Fr	30	38	Rugged	2	3
Gateway	4	6	Russet	3	5
Gan Cop	*5	6	Salmita	11½	12
Glenbck	11	13	Shield	30	40
Glencona	1½	2	Sheldon	12	13
Glen Ech	4½	6	SladenQ	70	75
G Harkr	8	10	S My ex	17	20
Gord Lb	1½	2½	Slate By	3	5
Gd Maq	†11	12	Snow L	6	8
Goldyke	2	4	Starlight	4	6
Gov Gold	2	4	Sun Bear	1½	2
Halmon	22	25	Thorncr	7	8
Hornflt	8	10	Tower	3	6
Hot Min	6	8	Tresdor	12	14
Hub U	10	20	Ur Ridg	18	20
Hubert	7	9	Un Pr	†245	255
Hucamp	†10	12	Ungava	5	6
Indepen	10	12	Viking	11	13
Jamaica	*13	15	Wadge	5	7
Jean Lk	9	10	*Watson	38	41
Jerome	5	7	Wesley	4½	5½
Kamlac	10	12	Wst RL	3	4
KB Mng	4½	6	W Wasa	6	8
Kendn P	1½	3	Y Davd	15	17
Kenog	9	10	**OILS**		
Laronge	3	4	Brobar	—	50
Lrndona	3	5	BC Ol	†1000	1100
Laroma	3	5	CDelhi	800	825
Larum	14	16	C Sup	2000	2050
L Expn	14	16	GS Grs	42	44
Lake R	*15	17	Harvest	17	20
Lassie	12	14	Lone Pt	*65	68
Lun Ec	30	33	N Surp	†210	220
Lynwat	10	13	O Smoky	2	3
Magoma	2½	4	Paige Pte	8	—
Main O	33	36	Place	†115	120
Mallen	5½	7	Sbmrn	*92	95

Significant Investors' Index Numbers

No. of Securities	Mach and equip 10	Pulp and paper 9	Milling 2	Oils 5	Textiles and clothing 8	Food and allied prod. 14	Beverages 10	Bldg. mater 15	Total industrials 75	Banks 7	Utilities 13	Total co's 95
*1935 to date:												
High	947.5	1238.1	252.0	285.5	410.5	303.5	681.1	535.9	315.9	337.0	219.8	297.8
Low	68.5	51.6	59.7	40.9	77.7	72.4	79.3	68.7	56.1	68.4	64.5	60.6
1958 Monthly Figures:												
Jan.	579.2	796.2	120.5	187.5	148.4	206.2	490.2	384.9	222.2	233.3	178.1	215.4
Feb.	570.4	832.1	133.4	184.4	145.7	212.8	509.1	396.6	223.8	245.2	182.5	218.3
Mar.	609.2	840.8	129.7	184.4	157.7	217.2	513.8	415.3	228.7	237.7	183.1	221.5
Apr.	559.5	802.3	129.5	186.9	166.7	219.5	511.3	417.6	224.0	243.5	181.9	218.2
May	566.1	818.6	141.2	203.6	162.7	233.7	547.1	433.0	235.2	258.1	183.0	227.8
June	570.2	855.3	143.4	218.0	159.9	243.0	562.6	455.0	246.4	266.6	187.6	237.8
July	590.7	885.8	145.6	225.0	136.9	251.5	564.6	466.6	253.3	275.4	189.5	243.8
Aug.	631.4	936.3	146.8	228.3	159.7	254.7	587.8	479.4	261.8	280.4	194.4	251.6
Sept.	651.4	955.2	152.8	225.6	174.9	252.6	608.4	486.9	264.9	287.8	198.2	255.0
Oct.	703.1	1005.5	176.6	224.0	180.4	260.6	623.6	493.5	272.8	305.0	197.2	262.1
Nov.	684.1	1047.4	204.6	215.3	192.5	271.8	644.9	499.2	271.2	318.0	197.7	262.0
Dec.	673.1	1043.0	199.2	210.0	191.6	279.6	635.2	494.0	266.8	328.0	195.8	259.1
1959 Weekly Figures:												
Jan. 1	695.5	1041.1	202.9	214.1	194.0	282.6	652.0	501.6	271.3	326.3	194.8	262.2
Jan. 8	681.3	1070.0	198.1	215.8	192.0	280.6	650.6	511.6	272.1	327.6	198.4	263.3
Jan. 15	703.1	1083.8	199.5	217.8	191.6	285.5	677.3	533.0	278.4	327.9	200.0	268.5
Jan. 22	695.8	1094.8	198.2	219.1	191.6	288.9	675.9	523.1	277.8	328.5	200.7	268.2
Jan. 29	678.7	1096.3	193.9	216.8	205.2	294.3	678.1	523.5	277.5	327.9	198.3	267.5
Feb. 5	686.8	1117.3	197.1	216.1	207.5	302.1	677.3	532.5	279.9	334.0	200.4	270.1
Feb. 12	666.7	1124.8	188.3	218.4	205.1	303.5	681.1	531.4	279.8	337.0	201.4	270.5
Feb. 19	673.9	1130.5	207.2	216.7	201.9	303.2	675.8	533.9	279.3	334.6	202.1	270.0

*High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics.

TORONTO STOCK EXCHANGE INDEX

	20 Indust.	20 Golds	15 B.M.	15 W.O.
Feb. 23	533.31	91.81	184.48	142.08
Feb. 20	533.58	91.95	185.25	142.21
Feb. 19	532.44	92.29	184.72	142.72
Feb. 18	531.34	92.06	184.83	141.97
Feb. 17	531.42	91.76	185.13	142.32
Month Ago	527.44	91.45	182.28	144.51
Year Ago	413.56	79.06	147.33	127.78
1958-59 High	534.75	93.12	186.68	145.22
1958-59 Low	397.44	70.83	144.47	123.89

MONTREAL STOCK EXCHANGE INDEX

	10 Util.	20 Indust.	30 Com.	10 Pprs.	15 Golds
Feb. 23	154.4	314.5	261.2	485.7	89.27
Feb. 20	154.7	314.7	261.4	485.4	89.51
Feb. 19	154.0	312.4	259.6	481.3	85.91
Feb. 18	153.1	312.0	259.0	481.4	89.22
Feb. 17	152.5	312.1	258.9	480.2	87.52
Mon. Ago	153.1	308.6	256.8	473.5	87.21
Year Ago	137.3	237.8	204.3	361.8	69.33
58-59 High	154.7	322.7	261.4	485.7	90.90
58-59 Low	130.2	227.5	195.7	332.3	62.42

DOW-JONES CLOSING STOCK AVERAGES

	30 Indust.	20 Rails	15 Util.	65 Stocks
Feb. 23	Hol.	Hol.	Hol.	Hol.
Feb. 20	602.21	164.39	91.74	208.45
Feb. 19	595.04	164.21	91.28	206.71
Feb. 18	588.82	162.18	90.92	204.72
Feb. 17	586.71	160.90	90.94	203.93
Month Ago	596.07	165.66	91.99	207.62
Year Ago	437.19	104.15	72.08	149.45
1958-59 High	602.21	167.38	92.51	208.60
1958-59 Low	436.89	99.89	68.94	147.41

Government Bonds

Feb. 24, 1959 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Asked
Govt. of Canada Bonds:			
3	Perpetual	73	75
2¾	June 1967/68.	85½	86½
3¾	Jan. 1975/78.	86½	88
3¼	June 1974/76.	83½	85
3¾	Mar. 1996/98.	81½	83½
2¼	July 1959	99½	99¾
3	Oct. 1959	99	99½
3	Dec. 1960	96¾	96¾
3	May 1961	95¾	96½
3¼	May 1970	89¾	91½
3¼	Oct. 1979	83	84½
2¾	Apr. 1960	97¾	98
3	Dec. 1961	94!	95½
3¾	Sept. 1965	93½	94½
4½	Sept. 1972	94½	95½
4½	Sept. 1983	94	95
3	Dec. 1959	98¾	99
4	Jan. 1963	97¾	98½
Cdn. Nat. Railways:			
3	Jan. 1961/66.	89½	91½
2¾	Sept. 1964/69.	83	85
2¾	Feb. 1961/63	92	94
2¾	Jan. 1964/67.	85½	87½
3¾	Feb. 1972/74.	88	90
4	Feb. 1981	87½	88½

%	Due	Bid	Asked
Int. Bank of Reconstruct. & Development			
3½	Apr. 1965	91	93
3½	June 1969	91	93
C'wealth of Australia:			
4	Nov. 1970	91½	93½
Prov. Govt. Bonds			
Alberta Tel. Gtd.:			
4½	July 1976/78.	90	91½
British Columbia:			
3	June 1964	90	92
Pac Gt. East. Rly. Gtd.:			
4¾	Dec. 1987	90½	93
Man. Hydro:			
5	July 1975/77.	97½	99½
Manitoba:			
3	Oct. 1965	88	90
Nova Scotia:			
4¾	Dec. 1975/77.	93	95
5	June 1975/77.	96	98

%	Due	Bid	Asked
New Brunswick:			
4½	Oct. 1968/71.	92	94
5	Oct. 1974/77.	95½	97½
Ontario:			
4½	Dec. 1962/63.	98	99½
4	Jan. 1966/68.	93	94½
4½	Dec. 1974/76.	93½	95
Ont. Hydro:			
4½	Nov. 1964/67.	95	96½
4	Apr. 1966/68.	92½	94
3	Nov. 1967/69.	84	86
4½	Oct. 1972/74.	92½	94½
4¾	Aug. 1972/75.	95	97
5	Apr. 1974/77.	98½	99¾
3½	Oct. 1974/79.	82	84
Quebec:			
4¾	Jan. 1974/77.	96	98
Quebec Hydro Commission:			
5	Nov. 1980/82.	97½	99½
Saskatchewan:			
4½	Nov. 1974/76.	91	93
3¾	Oct. 1962/65.	92	94

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Feb. 23	630,700	2,852,000	157,577	144,648	Holiday
Feb. 20	881,700	4,215,000	174,457	206,853	6,060,000
Feb. 19	913,900	3,396,000	188,698	246,020	6,330,000
Feb. 18	920,000	3,981,000	260,836	178,677	5,180,000
Feb. 17	758,900	3,262,000	283,963	169,754	4,820,000

Advances and Declines

Week Ended	Toronto Ups	Toronto Downs	Toronto No Change	Montreal Ups	Montreal Downs	Montreal No Change
Jan. 16	487	287	135	181	107	132
Jan. 23	381	346	184	144	131	151
Jan. 30	374	386	168	140	161	124
Feb. 6	401	350	184	209	114	117
Feb. 13	356	379	184	143	142	129
Feb. 20	401	254	167	141	141	117

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments, Offerings of Corporation and Securities.

DOMINION

Government of Canada Treasury Bills— Due May 15, 1959, $115,000,000. Issued Feb. 13, 1959. Sold at $99.119 to yield 3.57%.

MUNICIPAL

School Commission for Mun. of Town of Terrebonne, Que. — 5% and 5½% debentures, due Feb. 1, 1960-64-69, $278,000. Issued Feb. 3, 1959. Sold at $98.10 to Credit Anglo-Francais, Ltee.

School Commission for Mun. of Village of Vercheres, Que. — 5% and 5½% debentures, due Feb. 1, 1960-69-74, $390,000. Issued Feb. 4, 1959. Sold at $98.11 to Gaston Laurent, Inc.

Village of Elora, Ont. — 5¾% debentures, due Mar. 15, 1960-79, $300,000. Issued Feb. 9, 1959. Sold at $99.10 to Bell, Gouinlock & Co. Ltd.

Town of Courville, Que. — 5% and 5½% debentures, due Dec. 1, 1959-68-78, $55,000. Issued Feb. 9, 1959. Sold at $97.89 to Lagueux & DesRochers, Ltee.

Town of Port-Alfred, Que. — 5% debentures, due Feb. 1, 1960-74, $415,000. Issued Feb. 9, 1959. Sold at $93.874 to A. E. Ames & Co. Ltd.

Township of Stamford, Ont. — 5½% debentures, due Dec. 31, 1959-73, $197,303. Issued Feb. 9, 1959. Sold at $98.83 to Gairdner & Co. Ltd., Royal Bank of Canada and Nesbitt, Thomson & Co. Ltd.

School Commission for Mun. of Grand-Rang-de-Ste-Melanie, Que. — 5% debentures, due Jan. 1, 1960-69, $120,000. Issued Feb. 10, 1959. Sold at $98.41 to Belanger, Inc.

Herbert School Unit No. 23, Saskatchewan — 6% debentures, due Mar. 31, 1960-79, $175,000. Issued Feb. 11, 1959. Sold at $97.85 Mills, Spence & Co. Ltd.

School Commission for Mun. of Adolphe-de-Marbleton, Que. — 5% debentures, due Feb. 1, 1960-69, $140,000. Issued Feb. 11, 1959. Sold at $97.68 to Belanger, Inc.

Mun. of the District of Yarmouth, N.S. — 5¼% debentures, due Mar. 1, 1960-79, $233,000. Issued Feb. 11, 1959. Sold at $98.27 to Gairdner & Co. Ltd.

City of Saskatoon, Sask. — 5½% debentures, due Mar. 1, 1960-84, $790,000. Issued Feb. 12, 1959. Bought privately by Dominion Securities Corpn. Ltd. and Wood, Gundy & Co. Ltd.

Town of Riverside, Ont. — 5½% debentures, due Mar. 15, 1960-79, $100,000. Issued Jan. 30, 1959. Bought privately by Mills, Spence & Co. Ltd.

City of Regina, Sask. — 5¾% debentures, due Mar. 1, 1974, $360,000. Issued Feb. 6, 1959. Sold privately to Dominion Securities Corpn. Ltd. and syndicate including James Richardson & Sons, Ltd.

Municipality of the County of Halifax, N.S. — 5¼% 1-20 year debentures, $500,000. Issued Feb. 19, 1959. Sold at $98.539 to Cornell, MacGillivray Ltd.

Gold Bars Quoted

Rate Reported by Doherty, Roadhouse & Co., Toronto.

Canadian kilo bars of gold approximately 32 oz. each.

Feb. 24, 1959

	Bid (per oz.)	Asked (per oz.)
Latest week	$34.17	$34.28
Previous week	$34.47	$34.49

TRADERS FINANCE

Interest rates on short-term collateral trust notes have been increased by **Traders Finance Corp.** to 3½% on 30-89 day notes, 4% for 90-179 days, 4½ for 180-269 days, and 4¾% for 270-365 days. Traders is primarily interested in issuing notes against new subscriptions for a minimum of $50,000 in maturities exceeding 89 days.

Municipal Bonds

Feb. 24, 1959

	%	Due	Bid	Ask	Yld. %
Calgary	3½	'69	84	86	5.32
Edmonton	3½	'69	84	86	5.32
Halifax	3½	'66	87	88½	5.50
Hamilton	3	'67	84	86	5.15
Metro. Tor	5	'77	95	97	5.26
Metro. Tor.	4¾	'78	92	94	5.25
Montreal	5¼	'78	94	96	5.60
Moose Jaw	3½	'60	95½	96¾	5.50
Ottawa	3¼	'68	85	87	5.05
Regina	3	'64	87¼	89¼	5.50
Saint John	3½	'65	88	89½	5.60
Toronto	3	'68	83	85	5.10
Vancouver	3¾	'69	84¾	86¾	5.50
Victoria	3¾	'68	85¾	87¾	5.50
Windsor	3½	'75	75¼	77¼	5.60
Winnipeg	3	'69	81½	83½	5.15

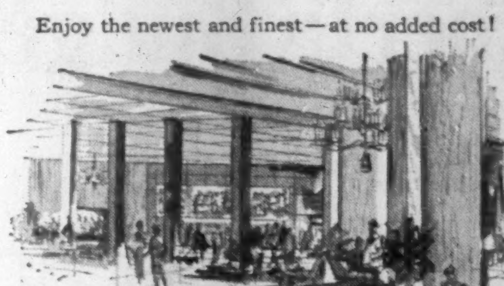
Unlisted Mines and Oils

(Compiled from Quotations by G. E. Leslie & Co., Montreal)

Feb. 23, 1959

Stock	Bid	Off.	Stock	Bid	Off.
Absam	..	5	Lite Stne	1.25	1.35
Aconic	75	85	Main Oka	32	37
Do vt c	50	60	Martin B	8	10
Amer Chib	23	26	Matt Lk	4¼	5½
Arnora	..	3	Murray M	27	30
Assoc Devel	3	5	Matt Ex	..	36
Atlas Chib	3	6	Miller Cop	8	13
Bald Mtn	6	8	Monor	25	30
Baraca	11	16	Natl Mal	17	20
Belmont	4	8	Nipiron	14	18
Bractmac	29	31	Norbeau	55	65
Bros'n Ch	13	18	North Matt	33	36
Big Nell	10	15	Oklend	5	7
Caprive O	31	37	Pascalis	13	17
C Vauze	1.45	1.55	Place Oil	1.15	1.20
Dadson	15	20	Quedon	..	8
Elwood M	5	10	Quejo	4	6
Flicka	4	6	Rand Mal	6	9
Franksin	56	61	Rivermede	..	30
Garland	3	6	Roberval	45	...
Gibson	13	16	St Helen M	27	32
Glencona	1	2	St Jude	..	10
Hastings	62	65	Scott Chib	3	6
Independt	10	12	Selby Mng	3	6
Kenmac	2	4	Starlight	3	5
Lk Sup Irn	30	40	Tarpoint	1	3
Lun-Echo	32	37	Valmont	30	..
Lk Chib	..	15	Wm Leys	8	12
Lyndvue	8	13	Young D	16	19

Enjoy the newest and finest—at no added cost!



THE Queen Elizabeth IN MONTREAL

Choice of Conventional Bedrooms or Studio Type Rooms

SINGLE FROM $9.00 DOUBLE FROM $13.00

Special Family Rates—No Charge for Children

RADIO AND TV IN EVERY ROOM
Fully Air-Conditioned.

FREE OVERNIGHT PARKING FOR REGISTERED GUESTS
Direct connection with C.N.R. Central Station.

8 SUPERB RESTAURANTS AND LOUNGES

Offer you an excellent choice, from the low priced "Le Cafe" to Canada's finest supper club, "Salle Bonaventure".

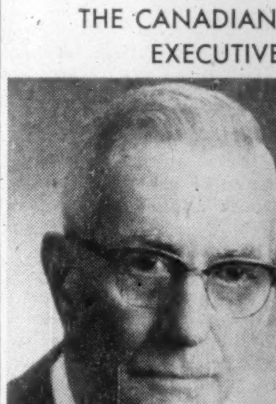
For reservations: in Montreal-UN. 1-3511, in Toronto-EM. 2-3771

Already acknowledged as one of the world's truly great hotels

THE QUEEN ELIZABETH

ANNOUNCEMENT

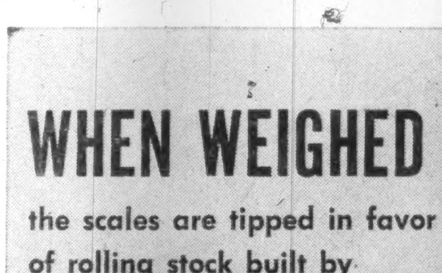
THE CANADIAN SURETY COMPANY — EXECUTIVE APPOINTMENTS



JOHN B. ALEXANDER
Vice-Chairman of the Board

MALCOLM B. STRONG
Vice-President and General Manager

Following the Annual Meeting of The Canadian Surety Company held in Toronto on January 29th, 1959 Mr. Charles S. Band, Chairman of the Board, announced the election of Mr. John B. Alexander as Vice-Chairman of the Board and the election of Mr. M. B. Strong as Vice-President and General Manager of the Company.



These Air Dump Cars offer all these advantages:—

- Low loading height
- Multiple and single dumping
- Full dump position approx. 50° from horizontal
- Free floating door
- Rugged construction
- Magor design backed by years of engineering experience

Photograph of a 50-ton 30 cubic yard Air Dump Car, one of a recent second order of 10 built for the Canadian National Railways.

NATIONAL STEEL CAR Builders of reliable rail transport
CORPORATION LIMITED
HEAD OFFICE: HAMILTON, ONT. SALES OFFICE: MONTREAL, QUE.

DIVIDEND NOTICES

BANQUE CANADIENNE NATIONALE

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of three and a half per cent (3½%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 28th day of February 1959. This dividend, bearing number 272, will be payable at the Main Office or at the branches of the Bank, on or after the first day of March 1959, to shareholders of record on February 13, at the close of business.

By order of the Board,
ULRIC ROBERGE,
General Manager.

THE PREMIER TRUST COMPANY

QUARTERLY DIVIDEND

A dividend of $2.00 per share for the current quarter, being at the rate of 8% per annum, has been declared on the paid capital stock of the company, payable on

April 1, 1959

to shareholders of record, at the close of business on March 13, 1959.

N. S. Watt,
Secretary

Toronto,
January 30, 1959.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a dividend of Fifty Cents per share on the paid-up Capital Stock of the Corporation for the current quarter has been declared, the same to be payable Wednesday, the 1st day of April next, to shareholders of record at the close of business on the 13th day of March, 1959.

By Order of the Board.
GEO. D. LAVEROCK,
Secretary.

Toronto, February 18th, 1959.

CHARTERED TRUST COMPANY

161st DIVIDEND

A quarterly dividend of 40c per share has been declared payable on the 1st day of April, 1959, to shareholders of record at the close of business of the 14th day of March, 1959.

Toronto
Feb. 10th, 1959.
H. G. Soward,
F.C.I.S.,
Secretary

ATLANTIC WHOLESALERS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 25c per share has been declared on the Class "A" and Class "B" Shares of the Company payable April 1st, 1959, to Shareholders of record March 16th, 1959.

By order of the Board.
R. G. SHARPE,
Secretary.

ATLANTIC WHOLESALERS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the half-yearly dividend of 2¾% equal to 55c per share has been declared on the Preferred Shares of the Company payable June 1st, 1959, to Shareholders of record May 15th, 1959.

By order of the Board.
R. G. SHARPE,
Secretary.

GALT MALLEABLE IRON LIMITED
GALT ONTARIO

Notice is hereby given that a dividend of $1.50 per share on the First Preference Shares of the Company, also a dividend of $1.56 per share on the Second Preference Shares of the Company, have been declared payable April 1st, 1959, to shareholders of record at the close of business on the 14th day of March, 1959.

By order of the Board,
N. W. ZINN,
Secretary.

Galt, Ontario,
February 23rd, 1959.

ROBINSON, LITTLE & COMPANY, LIMITED
WINNIPEG - MANITOBA

DIVIDEND ON COMMON

NOTICE IS HEREBY GIVEN that a dividend of Twenty (20) cents a share has been declared on the Common Stock of the Company payable on the 31st March, 1959 to shareholders of record at the close of business on the 14th March, 1959.

By Order of the Board,
JACK L. MacDONALD,
Secretary.

Winnipeg, Manitoba,
17th February, 1959.

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 57 of thirty cents per share has been declared on the outstanding common shares without nominal or par value of the Company, payable on April 1, 1959, to shareholders of record at the close of business on March 13, 1959.

By Order of the Board:
ALEX S. GRAYDON,
Secretary.

London, Ontario,
February 16, 1959.

DIVIDEND NOTICES

Abitibi

DIVIDEND NOTICE

Notice is hereby given that dividends, in the respective amounts per share set out below, have been declared payable April 1, 1959, to shareholders of record at the close of business, March 2, 1959, on the following outstanding shares of ABITIBI POWER & PAPER COMPANY, LIMITED:

Preferred 28⅛c per share
Common 42½c per share

By Order of the Board,
L. B. POPHAM, Secretary.
Toronto, February 12, 1959

ST. LAWRENCE CORPORATION LIMITED

NOTICE is hereby given that a regular quarterly dividend of One Dollar and Twenty-five cents ($1.25) per share has been declared on the 5% Cumulative Redeemable Preferred Shares, Series "A", of the Capital Stock of St. Lawrence Corporation Limited, payable in lawful money of Canada, April 24th, 1959, to the Shareholders of record at the close of business on March 26th, 1959.

By Order of the Board of Directors.
J. E. MARTIN,
Secretary.

840 Sun Life Building,
Montreal, Quebec.
February 16th, 1959.

ST. LAWRENCE CORPORATION LIMITED

NOTICE is hereby given that a regular quarterly dividend of Twenty-five cents (25c) per share has been declared on the outstanding Common Shares of St. Lawrence Corporation Limited, payable in lawful money of Canada, on April 24th, 1959, to the Shareholders of record at the close of business on March 26th, 1959.

By Order of the Board of Directors.
J. E. MARTIN,
Secretary.

840 Sun Life Building,
Montreal, Quebec.
February 16th, 1959.

GATINEAU POWER COMPANY

DIVIDEND NOTICE

Notice is hereby given that the Board of Directors has declared regular quarterly dividends of $1.25 and $1.37 a share on the 5% and 5½% Cumulative Preferred Shares, a regular quarterly dividend of 40c a share on the Common Shares, in each case payable April 1, 1959 to holders of record at the close of business March 2, 1959. Cheques in payment will be mailed. Stock Transfer Books will not be closed.

A. E. GADBOIS,
Secretary.

Hull, P.Q.,
February 18, 1959.

BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

NOTICE is hereby given that the Board of Directors has declared the dividends listed below on the Company's **CUMULATIVE REDEEMABLE PREFERRED SHARES** for the quarter ending 31 March 1959 payable on 1 April 1959 to shareholders of record at the close of business on 9 March 1959. In respect of shares represented by any share warrant, the said dividends will be payable on or after 1 April 1959 at any branch of The Royal Bank of Canada in Canada on presentation of the respective dividend coupons listed below:—

Series	Coupon No.	Dividend per Share
4%	48	$1.00
4¼%	15	$0.53
4½%	18	$0.56
4¾%	42	$1.19
5%	26	$0.62
5½%	6	$0.69

The transfer books will not be closed.

BY ORDER OF THE BOARD,
G. G. Woodward,
Secretary.

Vancouver, B.C.
29 January 1959.

Public Service Electric and Gas Company
NEWARK, N. J.

QUARTERLY DIVIDENDS

The Board of Directors has declared the following dividends for the quarter ending March 31, 1959:

Class of Stock	Dividend Per Share
4.08% Cumulative Preferred	$1.02
4.18% Cumulative Preferred	1.045
4.30% Cumulative Preferred	1.075
5.05% Cumulative Preferred	1.2625
$1.40 Dividend Preference	.35
Common	.45

All dividends are payable on or before March 31, 1959 to stockholders of record March 2, 1959.

J. IRVING KIBBE
Secretary

PUBLIC SERVICE
CROSSROADS OF THE EAST

DIVIDEND NOTICES

THE CALGARY & EDMONTON CORPORATION LIMITED

Notice is hereby given that a dividend of five cents per share was declared on the 19th day of February, 1959, payable on the 15th day of April, 1959, to shareholders of record at the close of business on the 13th day of March, 1959.

By Order of the Board.
R. G. RENNIE,
Secretary.

Dated at Calgary, Alberta this 19th day of February, 1959.

INVESTORS SYNDICATE OF CANADA, LIMITED

DIVIDEND NOTICE
Dividend No. 5

Notice is hereby given that a semi-annual dividend of twenty-five cents per share has been declared on the outstanding Common Stock and Common Stock, Class A shares of the Company payable on March 27th, 1959 to shareholders of record at the close of business on February 27th, 1959.

E. G. O. HOWARD,
Secretary.

Winnipeg, Manitoba.
February 12th, 1959.

DIVIDEND NOTICE

THE BOARD OF DIRECTORS of Crown Zellerbach Canada Limited has declared a dividend of 25 cents per share, payable April 1, 1959, to Class A shareholders of record March 11, 1959.

T. A. A. Fraser,
Secretary.

Vancouver, B.C.
February 21, 1959.

MACASSA MINES LIMITED
(No Personal Liability)

DIVIDEND NO. 87

Notice is hereby given that a dividend of three (3c) cents a share has been declared on the issued capital stock of this company, and will be paid in Canadian funds on March 16th, 1959, to shareholders of record as at the close of business February 26th, 1959.

By Order of the Board.
H. W. SALTHOUSE,
Secretary.

Toronto, Ontario.
February 20, 1959.

ANGLO-CANADIAN PULP AND PAPER MILLS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared:—

PREFERRED SHARES

A quarterly dividend of seventy cents (70 cents) per share on the $2.80 cumulative redeemable sinking fund preferred shares of the par value of $50.00 each of the capital stock of this company, payable out of earned surplus on the 20th day of April, 1959, to shareholders of record at the close of business on the 31st day of March, 1959.

COMMON SHARES

A dividend of fifty cents (50 cents) per share on the outstanding shares without nominal or par value of the capital stock of this company, payable out of earned surplus on the 7th day of April, 1959, to shareholders of record at the close of business on the 13th day of March, 1959.

By Order of the Board.
H. D. RUTHMAN,
Secretary.

Quebec, P.Q.,
February 20, 1959.

Maxwell LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend No. 42 of ten cents (10c) per share on all outstanding Common Shares of the Company has been declared payable April 1, 1959, to shareholders of record as at the close of business March 13, 1959.

A Dividend No. 29 of one-dollar-and-fifty cents ($1.50) per share on the $6.00 Dividend Cumulative Participating Preference Shares without nominal or par value due April 1, 1959, was also declared payable April 1, 1959, to shareholders of record as at the close of business on March 13, 1959.

By Order of the Board.
J. J. McLAUGHLIN,
Secretary-Treasurer.

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending March 31st, 1959, payable March 31st, 1959, to shareholders of record March 2nd, 1959.

$ .68¾ per share on $50 — 5½% Cumulative Redeemable Preferred Stock.
$ .56¼ per share on $50 — 4½% Cumulative Redeemable Preferred Stock.
$1.12½ per share on $100 — 4½% Cumulative Redeemable Preferred Stock.
$ .40 per share regular quarterly dividend on no par value Common Stock.

By order of the Board.
E. W. McCRACKEN,
Secretary.

Montreal, Quebec,
February 19, 1959.

NOTICE

THE CONSOLIDATED ZINC CORPORATION LIMITED

The Consolidated Zinc Corporation announces that it is proposed to issue 1,455,100 ordinary shares of £1 each and to offer such shares to the ordinary shareholders on the register at the close of business on the 27th February, 1959, in the proportion of one new ordinary share for every six ordinary shares of £1 each then held, fractions of a new share being disregarded. The offer price has not yet been determined but on the basis of current market prices it is expected to be about £2.8.0. per share. The new shares will not rank for the final dividend in respect of 1958. It is hoped to announce the offer price and to indicate the provisional group net profit and final dividend on the ordinary shares for 1958 on or about 6th March, 1959 and to post the offer documents shortly thereafter.

By order of the Board.
T. W. POOL,
Secretary.

Market Bid and Ask Quotations

Montreal and Toronto
Feb. 24, 1959

	Bid	Asked		Bid	Asked
[illegible]					
xBanff	176	180	xCdmet	26	27
xBnkno	21	21½	xCalalt	99	100
xBnkfld	8½	9	Cald 1 p	21	..
Bk Mtl	54¾	55¼	Cal Ed	33½	33¾
Bk NS	67¼	67⅝	Cal Pow	87	90
Do rts	550	555	Do 5 p	100	100¾
Banq Can	59	59½	xCalv C	400	420
Barb-E	53½	..	xC Chib	915	925
xBrclna	410	495	xC Red L	11⅜	11⅞
xBarnat	174	175	**Canada**		
xBarvu	11½	12	xC Bd	5½	5½
xBary E	66	69	Do B	55¾	..
Basco	64	65			
xBase M	20½	21			

	Bid	Asked		Bid	Asked
[illegible]					
Wh 1 p	32	35	xWr H	154	158
Wh Pass	7	8	xYale	30	32
xWlroy	208	212	xYan C	12	13
Do w	155	157	xYellor	7½	9½
xWiltsy	16½	17	xYk B	127	128
xWinch	11	11½	xYkn A	175	225
xWdfall	18	19	Do B	10	75
xW Alx	450	450	xYoung	78	79
W GH p	93½	..	xYukno	6	9
Wood A	26¼	26½	Zellr 4½	45	46
Wood P	78	79½	xZenmc	28½	30
Wdrd A	20	20¼	xZulapa	30	32
Do w	10¾	11	x—Quoted in cents		
Wl Cb	7½	8½			

Calgary Oils
Quoted in cents

Albedena	10½	11	Keno	16½	17
Aldina-L	9	9½	Leamac P	6	7
Amalta	4½	6	Leduc Cal	9½	10½
Anaconda	100	125	Merit	84	87
Barons	4	4¾	Merland	22	24
Bashaw L	6	8½	M Creek	20	22½
B Crown	20	22	Mollusca	..	23
Borreas Mines L	25	26	Monarch	3	3¾
Cdn Ftune	..	10	N Richfield	6	6⅜
Carleton	60	..	New York	16	20
Castle	15	18	North Ctinental	1½	1¾
Century	4¾	5	Nuco P	10½	11
Claybar U	20	22	Nu-Reality	25	26
Command	50	100	Ranchmn's	13	16
Cmercial Mineral	32	33	Ranger	210	..
Dominion Lholds	295	305	Renfrew P	3	4½
Dom Min	3½	3½	Ridgeway P	1¾	2
Dnamic P	117	118	Ryl C Vent	36	39
East Cda G	5	7	Sage	76	77
Edoran	5½	6	Sastex	5½	9
Glden Sat	12	..	Select	3½	4
Glden Spik	4¾	5	Share	6½	7
Henderson	5½	6	Silver C	7	8
Ind Chem	..	140	Siscalta	100	100
Kroy	74	..	Sturgeon P	7½	10
Wstern W	11½	12	Trnsfield P	3½	3½
Kenare P	4½	5	Tri-Zone	5	6
			Turner V	24½	..

DIVIDEND NOTICES

DOMINION STEEL AND COAL CORPORATION, LTD.

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of twenty-five cents (25c) per share on the outstanding Ordinary Shares without Nominal or Par Value of the Capital Stock of this Corporation has been declared for the quarterly period ending March 31st, 1959. Such dividend to be payable on April 28, 1959, to shareholders of record at the close of business on March 26th, 1959.

By Order of the Board,
G. C. BROADBENT,
Vice-President and Secretary
MONTREAL, P.Q.,
February 18, 1959.

CANADIAN CELANESE LIMITED
MONTREAL, QUE.

The Board of Directors has this day taken the following action with respect to Dividends:

Preferred Shares, $1.75 Series

Forty-three and three-quarter cents (43¾¢) per share, which shall be deemed to be for the three months period from January 1, 1959 to March 31, 1959, has been declared payable March 31, 1959 to the holders of record at the close of business on March 6, 1959.

Preferred Shares, $1.00 Series

Twenty-five cents (25¢) per share, which shall be deemed to be for the three months period from January 1, 1959 to March 31, 1959, has been declared payable March 31, 1959 to the holders of record at the close of business on March 6, 1959.

Common Stock

Twenty cents (20¢) per share, in respect of the first quarter of 1959, has been declared payable March 31, 1959 to the holders of record at the close of business on March 6, 1959.

A. G. ALLAN,
Secretary.

February 18, 1959.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of fifty cents (50c) or 2½% for the current quarter ending March 31, 1959, has been declared on the paid-up capital stock of the Corporation, and will be payable on April 1, 1959, to shareholders of record at the close of business on March 16, 1959.

By Order of the Board.
N. F. PETERSEN,
Secretary.

Canadian Stock Exchange

	Bid	Asked		Bid	Asked
Abitca L	50	51	Pac. Atl.	325	..
Belding pf	11	12½	Paton Mfg	8½	10
Belg'm St	6	..	Do p 7%	18	22½
Do p	13½	..	Paul S St	8	9½
Bterfly H	175	250	P Crp 1st	43	..
C Floor B	16	..	Do 2nd	73½	..
C Arena	150	..	Prem Stl	5½	5¾
C Int Inv	19	24	Que-Tel	29	29½
Do p	82	84	Do warr	11¾	11¾
C Pwr & Pap	7¼	7½	R & M Bearing	16½	18
C Silk A	150	250	Reitmn's	23½	23¾
Catelli A	42	43¾	Renold A	17½	..
Do B	54	56	Sangamo	12	15
Cinzano A	115	..	Shop & Save	20½	20¼
Do 5½ p	110	..	S Can p	129	130
C Div A	60	100	Tooke Br	50	70
Do p	30½	..	Do p	..	65
C Text	..	20	T Can Crp	24	25
Crain R L (new)	16½	17½	Utd Am A	7½	..
David & Fr. A	..	48	Do B	6	9
Dom Eng	19	20	Do V.T. A	7½	9½
E Koot p	113	..	Utd Dist	..	11
Feralco I	..	135	Waterman	5½	6
A J Freiman C	22	..	Wilson J C	9	..
Horner A	17½	20	Wdsor Htl	61	65
Hbard Flt	5½	..	Wood Mfg	..	40
Do A	20½	22	Wdford A	50	..
I Paints A	..	14	Do B	10	..
Do p	21½	..	MINES		Cents
I Found	..	47	Alscope	28	30
Do p	52½	56	Alta	16	17
Lambert A	13	..	Ameranium	5	5½
Do B	13	..	Anthonian	12	13
Latonia I	19½	21¾	Arno	5	6
Lochaber Oil	150	..	Atlas Sul	195	215
Lond Can	9	12	Aug Exp	79	82
Mchers D	8	9	Aull	9½	11
Do p	15	15½	Baker Talc	24	26
Mtl Refrig	40	..	Band-Ore	7	7½
Mtl Ryl D	7½	7½	Barvallee	5	6
Mt Ryl R	23½	25	Bateman	89	90
Mussans	8	..	Beatrice	6½	7
Nfld L&P	..	51½	Bellechass	64	65
			Belle-Chib	7	9

	Bid	Asked		Bid	Asked
Bornite	9	10	Nth Am Asb	12	15
Burnt Hill	21	..	Nth Am R	85	100
Calumet U	5½	6½	Obalski	13½	18
Canalask	8	9	Opemisca	18½	22
Canorama	14	15	Orchan U	116	118
Canuba	10	10½	Partridge	16	20
Cartier Qu	32	33	Paudash	41	42
Cen Mani	6½	7	Pennbec	47	48
Chipman	7½	8½	Pitt	5½	6
Cominga	11	13½	Por Prime	8	9
C Bi-Ore	13	14	Portage	82	85
C Monpas	8	..	Que Cob	195	200
C Que Yel	6½	7	Que Smelt	25	26
Dolsan	9½	11	Red Crest	5	6
Duvan	24	28	St Lawr Mining	340	350
Fab Met	13½	15	Sth Dufault	6	8
Fano	7	9	Stdard G	12	13
Fontana	4½	5	Tache Lak	20	21
Fundy Bay	7	8½	Tazin	21	22
Glden Age	..	63	Tib Exp	31	32
Gul-Por U	7	9	Trebor	6	8
Haitian	7	8	Valor Lith	6	8½
Hcrest C	255	300	Vanguard	22	30
I Ceramic	22	23½	Vginia Min	21	25
Iso Ura	54	57	Wendell	3½	4
Kontiki L	..	8	Westville	9	10
Lgside C	4½	5			
Lithium	10	13	OILS		Cents
Marpic	16½	17	Bluewater	..	60
Mid-Chib	46	50	Bonn'lle	51	52
Mogador	10½	12	Castle Oil	9	10
Monpre	15	17	Futurity	72	73
Montgary	63	64	Gaspe	5	7
N Formaq	24½	25	Gateway	..	6
N Jack Lak	7	8	Israel C	17	..
N Pacific	92	95	Phillips	130	145
N S'Tiago	7½	8	Quebec Oil	4½	5
N Vinray	5	5½	Titan Pet	76	78
New W Amulet	72	73			
Nocana	12½	13			

Toronto Curb

	Bid	Asked		Bid	Asked
Andian	6	6	Do p	75	77
A C	41	42½	Gaspe	32	34
Ang-N	7½	7½	Hayes	23½	24
Asbest	33½	33¾	I Pap	117½	119
B A B	47½	..	I Util	29½	29¾
xBulolo	410	420	Lang p	39½	45
CD Sug	25	25½	Lob I	144	146
C Ving	29½	..	M Lrn	73	82½
C Brnze	24½	24¾	MO Pap	35¾	36
Do p	92	..	Ogilv	44½	45
C Cott	17½	..	Do p	135	145
Do p	11½	..	xPend O	205	210
CG Inv	36	37	Price	47¾	..
C Ing	45	46	Sngmo	12½	14½
xC Marc	5¾	6½	xSW P	106	120
xCst C	315	500	Th CG I	7½	7½
C Pap	42¾	43½	xYuk C	65	68
xDalh	20	21	Zellrs	38¾	39
de Hav	150	250	Cdn. K B (Tor. gold)	3417	3428
D Glass	88	90	xQuoted in cents.		
Do p	15½	15¾			
DOC	44	48			
Dupont	23½	25			

Grain Prices

Winnipeg Futures
Week to Feb. 23, 1959

Crop year from Aug. 1, 1958 High	Low		High for Week	Low for Week	Close Feb. 23
		Oats—			
.76⅞	.70⅞	May	.76⅞	.74¼	.74¼
.74½	.69½	July	.74⅞	.72⅞	.73
.74½	.71	Oct.	.73¾	.72¼	.72¼
		Barley—			
1.03½	.95½	May	1.02⅞	1.00½	.101½
1.01	.95½	July	1.00⅞	.99	.99½
1.00½	.97½	Oct.	1.00	.98⅞	.98⅞
		Rye—			
1.17⅞	1.04½	May	1.12	1.10⅞	1.11½
1.13½	1.04⅞	July	1.09⅞	1.07⅞	1.08½
1.10⅞	1.05⅞	Oct.	1.09⅞	1.05⅞	1.06⅞
		Flax—			
3.21½	2.77⅞	May	2.96	2.87½	2.92
3.06½	2.73½	July	2.83	2.76⅞	2.79⅞
2.79	2.70	Oct.	2.79	2.73	2.74½

Chicago Futures
Week to Feb. 23, 1959

Crop year from Aug. 1, 1958 High	Low		High for Week	Low for Week	Close Feb. 23
		Wheat—			
1.92½	1.79⅞	July	1.85⅞	1.84½	1.85
2.01½	1.93½	Mar.	1.99⅞	1.97⅞	1.98½
2.00	1.89⅞	May	1.98⅞	1.97	1.97⅞
1.91½	1.81½	Sept.	1.87⅞	1.86½	1.87
1.92⅞	1.79	Dec.	1.92½	1.91½	1.91½
		Corn (old)—			
1.26½	1.12	Mar.	1.15⅞	1.14⅞	1.15
		Corn (new)—			
1.27½	1.12½	Mar.	1.15½	1.14⅞	1.15
1.26½	1.13⅞	May	1.17½	1.16	1.16⅞
1.28½	1.15½	July	1.18	1.16⅞	.117½
1.22⅞	1.13½	Sept.	1.16½	1.15	1.15½
1.14½	1.11½	Dec.	1.13⅞	1.12½	1.12⅞
		Oats—			
.69⅞	.64½	Mar.	.65⅞	.64½	.64⅞
.68⅞	.62⅞	May	.65½	.64½	.64⅞
.65½	.60	July	.62½	.60½	.60⅞
.63⅞	.60½	Sept.	.62½	.60½	.60½
		Rye—			
1.39	1.25⅞	Mar.	1.38⅞	1.36⅞	1.36⅞
1.35	1.24½	May	1.34½	1.32	1.32
1.27½	1.15½	July	1.21½	1.17½	1.18
1.24½	1.15½	Sept.	1.21½	1.15½	1.16⅞
		Soybean—			
		Mar.	2.21⅞	2.18⅞	2.18⅞
		May	2.23½	2.20⅞	2.21½
		July	2.22⅞	2.20½	2.21½
		Sept.	2.09⅞	2.06½	2.06⅞
		Nov.	2.06½	2.02	2.03½

Winnipeg Cash

	High For Week Feb. 23	Low For Week Feb. 23	High Prev. Week	Low Prev. Week
Oats—				
2 C. W.	.78½	.76½	.78½	.78⅞
3 C. W.	.74⅞	.73½	.75½	.75½
Barley—				
1 Feed	.98⅞	.97⅞	.99⅞	.99½
2 Feed	.98	.97½	.98⅞	.98½
1 Malt	1.09	1.08	1.10	1.09½
Rye—				
1 C. W.	1.08⅞	1.08½	1.09	1.07½
2 C. W.	1.08⅞	1.08½	1.09	1.07½

Chicago Cash

	High For Week Feb. 23	Low For Week Feb. 23	High Prev. Week	Low Prev. Week
Corn—				
2 Yell.	1.20	1.19½	1.20	1.17½
Oats—				
H. W.	.68½	.68½	.69½	.68½

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THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

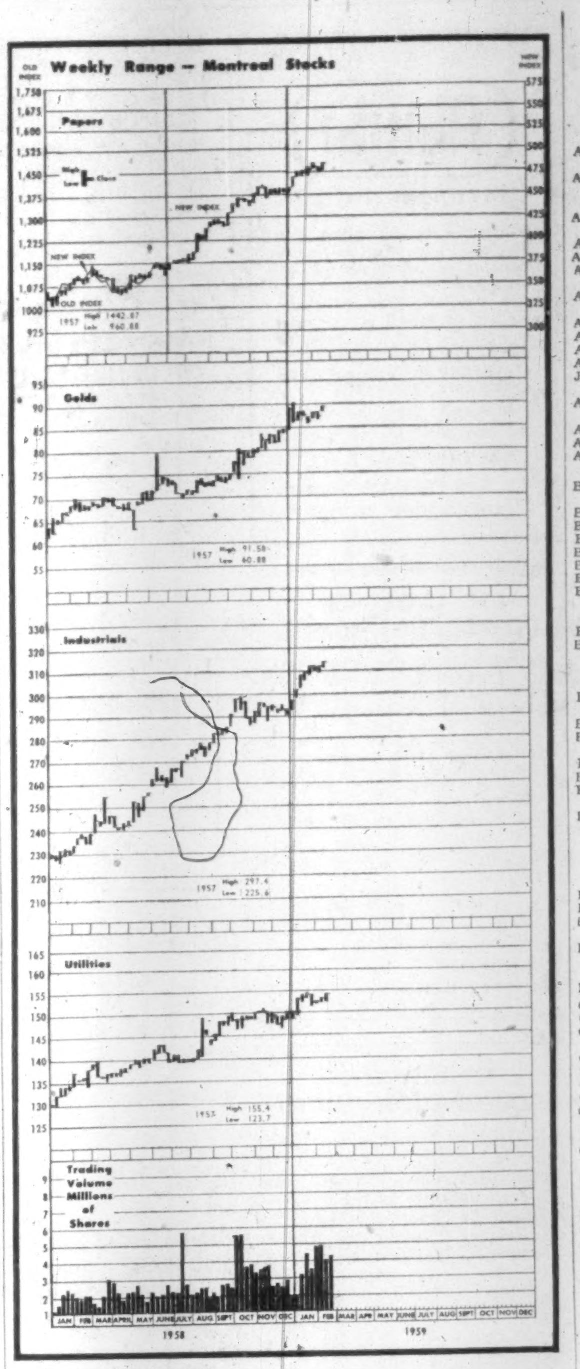
Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 35.

Industrial Stocks

WEEK ENDING FEBRUARY 20, 1959

Range 1958-59 High	Low	Div. R'te $	Y'ld Feb20 %	Company	Sales	Last Feb. 13	Week end. Feb. 20 High	Low	Close or Latest
.63	.36	..	..	Abitca Lumber..	19100	.51	.52	.50	.50
40	24⅝	1.70	4.3	Abitibi	10201	38¾	39⅛	38	39⅛
25	23	1.12½	4.8	Do. 4½% pref.	439	23¼	23½	23¼	23¼
11¾	8⅞	‡.27½	..	Acadia Atlan. ..	300	11¼	11	11	11
100	92	5.00	5.3	Do. 5% pref. ..	30	95	96	95	95
22	19	1.20	5.6	Do. (A)	250	21½	21½	21½	21½
17¾	17¾	..	..	Admiral	nil	..	B18⅛	A18⅜	17¾
16½	8⅛	.60	3.7	Agnew Surp. ...	832	15¼	16½	15	16¼
10¼	8½	‡‡.13½	..	Do. pref.	33	9¾	10	10	10
4.60	3.25	..	..	Alaska Yu. Pipe	200	3.75	3.50	3.25	3.25
1.99	1.30	..	..	Alaska Y. Refin.	1300	1.80	1.75	1.60	1.75
15	11	..	..	Do. pref.	100	13	11	11	11
3.75	1.30	..	..	Albt. Dist.	38490	3.50	3.60	3.40	3.45
2.80	1.10	..	..	Do. V.T.	19945	2.70	2.75	2.60	2.70
24.50	12.25	..	..	Albt. Gas Tr. ...	11841	24.00	24.37½	23.62½	23.87½
23¾	16½	..	..	Algoma Cen. VT	721	19¼	19¾	19½	19½
39⅛	21¾	1.00	2.6	Algoma Steel ...	11441	37½	39	37¼	39
36⅜	25	.70	2.4	Aluminium	28797	28⅜	29⅜	28	29
23⅝	20¾	1.00	4.6	Alum of Can 1 p	220	22	22	21¾	21¾
49½	42¼	2.25	4.9	Do. 2nd pref..	1545	44	45½	44	45⅞
9.37½	2.10	..	..	Analogue	5100	7.25	8.50	7.62½	8.50
7	4	*a.30	..	Andian Nat.	261	6	7	5½	5½
31½	20	*50	..	Anglo. Cdn. Oils (Brandon)	nil	..	B18½	A22½	21
43	25	2.00	4.7	Ang. Cdn. Pulp	275	43	43	41¾	43
53½	48	2.80	5.4	Do. pref.	380	52	52	51½	52
44	38	2.25	5.2	Ang. Can. Tel. p	5	43	43	43	43
8⅛	5	.20	2.7	Ang. Nfld.	7510	7⅝	7¾	7	7⅜
..	..	*1.50	..	A. Scand. Inv n	nil	..	..	..	..
45	20¼	1.40	3.3	Anthes Imp.	315	42	43¼	42	42½
97½	96	..	..	Do. 5½% pref.	nil	..	B97⅛	..	96
3.50	.25	..	..	Arcan Corp.	45700	3.40	3.40	2.40	2.85
38	14	1.00	2.7	Argus	6755	37	37½	37	37⅜
84½	43½	2.40	2.9	Do. A pref. ...	1118	82	83	82	82¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Montreal and Toronto Winnipeg, Calgary and Vancouver



Range 1958-59 High	Low	Div. R'te $	Y'ld Feb20 %	Company	Sales	Last Feb. 13	Week end. Feb. 20 High	Low	Close or Latest
41½	13¼	‡.18	..	Salada-Shirriff-Hor..	8945	38¼	41½	38	40¼
27.00	3.30	..	..	Do. warr.	6923	25.25	27.00	24.25	26.50
13	11	*.75	..	Sangamo	nil	..	B12	A15	12
11	6¼	.80	9.4	Scarfe & Co. A .	nil	..	B7½	A8½	8½
..	..	..	..	Do. B	nil	..	..	A10½	7⅛
14	12	1.00	7.1	Scythes & Co. ...	nil	..	B13½	A14	14
†20	†20	1.25	6.3	Do. pref.	nil	..	B20	..	†20
35¼	23¾	.68	2.1	Shawinigan	10202	32⅞	33	32⅜	32⅝
36⅞	28¾	1.33⅓	3.8	Do. A com. ...	116	35	35½	35	35½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask, and last sales price, instead of high, low and close.

Dividends Declared

Company	This payment	Date payable	Date of record
[illegible]	[illegible]	[illegible]	[illegible]

(Continued on next page)

Mining Stocks

WEEK ENDED FEBRUARY 20, 1959

Oil Stocks

Range 1958-59 High	Low	Company	Sales	Last Feb. 13	Week Ending Feb. 20 High	Low	Close or latest
3.00	1.96	Cdn. Exp. G.	18388	2.60	2.75	2.60	2.70
.10	.03⅞	Cdn. F'tune	73400	.08¼	.10	.08½	.09⅞
.62	.28	Cdn. H. Cr.	5875	.43	.45	.43	.44
2.40	1.50	Cdn. H'stead	12800	1.80	1.82	1.70	1.75
15.37½	9.55	Cdn. Husky.	7711	12.75	13.25	12.75	13.00
9.25	4.60	Do. warr.	2660	7.75	7.20	7.00	7.05
3.60	.75	Cdn. West. O.	50958	2.79	2.87	2.55	2.85
2.00	1.01	Cdn. Wil'ston	550	1.85	1.75	1.75	1.75
.40	.40	Carleton	nil	...	B.60	....	.40
.25½	.10½	Castle O.	nil	...	B.15	A.18	†.12
9.55	6.10	Cent. Del R.	20583	8.20	8.50	8.25	8.30
.08	.03½	Century	33150	.05	.06	.04⅞	.05¾
2.10	1.55	Charter	6100	1.67	1.70	1.62	1.66
.21	.06	Claybar	6000	.17	.20	.20	.20

Range 1958-59 High	Low	Company	Sales	Last Feb. 13	Week Ending Feb. 20 High	Low	Close or latest
.25	.08½	Wayne	11120	.13½	.14	.13	.14
.39	.15	Wespac	5700	.24	.24	.23	.23½
1.05	.61	W'burne	17700	.86	.89	.83	.83
2.30	1.50	W. Cdn. O&G	9424	2.09	2.05	1.97	1.97
.16	.04	Do. rts.	69076	.05	.06	.05	.05
2.25	1.50	W. Decalta	38150	2.18	2.25	2.17	2.17
4.60	3.75	W. L'holds	nil	...	B3.75	A3.95	3.80
1.55	.85	W. Naco	3600	.93	.92	.91	.91
.18	.06	W Warner	4012	.11½	.11½	†.08	.11½
.15	.06	Y'ke Can.	11200	.12½	.13	.10½	.12

▲U. S. funds. ▲▲Initial. †Less than board lot. ♦When shown nil the figures are bid, asked and latest sale. §Paid or declared in 1959. ‡Extra paid in 1958. •Dividend action deferred. *Paid in 1958. ■Stock dividend.

Dividends Declared

Continued from page 36

Company	This payment $	Date payable	*Date of record
Loblaw Cos. A	.10	Mar. 2	Feb. 4
Do B	.10	Mar. 2	Feb. 4
Do pfd	.60	Mar. 2	Feb. 4
Loblaw Groc.	.54	Mar. 2	Feb. 4
Do 1st pf	.37½	Mar. 2	Feb. 4
Do 2nd pf	.54	Mar. 2	Feb. 4
Do 1st pf ser. B	.40	Apr. 15	Mar. 18
Loblaw Inc.	†.50	Mar. 2	Feb. 13
Lond. Cdn. In. C p	.75	Apr. 1	Mar. 14
Lounsbury A .12½ +	‡.20	Mar. 1	Feb. 10
Do B .12½ +	‡.20	Mar. 1	Feb. 10
L. Lager Br. pf	.62½	Mar. 1	Feb. 20
Macassa M.	.03	Mar. 16	Feb. 26
Mackin. Std. St. p	1.25	Mar. 16	Feb. 27
Maher Shoes	.30	Mar. 10	Feb. 10
Mailman C pr pf	.25	Mar. 31	Jan. 15
Do prior pf	.25	Jun. 30	Jun. 17
Do 5% pf	1.25	Apr. 30	Apr. 15
Maple Leaf M. pf	1.25	Apr. 1	Mar. 13
Massey-Ferg.	.10	Mar. 16	Feb. 13
Do 4½% pf	1.12½	Mar. 1	Feb. 13
Maxwell Ltd.	.10	Apr. 1	Mar. 13
McColl-Fr. com.	.40	Feb. 28	Jan. 31
McIntyre Porc. M.	.50	Mar. 2	Feb. 2
Mersey Pap. pf	.68¾	Apr. 1	Feb. 27
Min. & Ont. Pap.	†.40	May 1	Apr. 3
R. Mitchell A	.25	Mar. 16	Feb. 13
Molson's Brew. A	.22½	Mar. 20	Feb. 27
Do B	.22½	Mar. 20	Feb. 27
Do 5½% pf	▲.55	Mar. 31	Feb. 27
Montreal Trust .30 +	‡.30	Apr. 15	Mar. 31
H. Morgan	.25	Mar. 2	Feb. 12
Do 4¾% pf	1.19	Mar. 2	Feb. 12
Mt. Royal Dair.	.15	Apr. 1	Mar. 2
N. Drug. & Chem.	.20	Mar. 2	Feb. 6
Do pfd	.15	Mar. 2	Feb. 6
Nat. Grocers	.15	Apr. 1	Mar. 13
Do pfd	.37½	Apr. 1	Mar. 13
Nelsons L. pf	.15	Mar. 1	Feb. 15
Nat. Hose A	.05	Apr. 1	Mar. 6
Do	.05	Jul. 2	Jun. 5
Do	.05	Oct. 1	Sep. 4
Do	.05	Jan. 4	Dec. 4
Do B	.08	Apr. 8	Mar. 6
Neon Prod.	.15	Apr. 24	Apr. 3
Nfld. Lt. & Pwr.	.45	Mar. 2	Feb. 10
Noranda M.	.50	Mar. 16	Feb. 16
Normetal M.	.05	Mar. 31	Mar. 2
North Star Oil A	.15	Mar. 14	Feb. 16
Do A	.15	Jun. 15	May 15
Do pfd 5%	.62½	Apr. 2	Mar. 3
Do pfd 5%	.62½	Jul. 2	Jun. 3
Nor. Que. Pwr.	.40	Apr. 24	Mar. 31
Do 5½% pf	.68	Mar. 16	Feb. 25
Do 3-6% pf	1.50	Mar. 16	Feb. 25
N.S. Lt. & Pwr. 4% pf	1.00	Mar. 2	Feb. 4
Do 4½% pf	1.12½	Mar. 2	Feb. 4
Do 5% pf	.62½	Mar. 2	Feb. 4
Office Spec.	.20	Apr. 1	Mar. 16
Ogilvie Flour pf	1.75	Mar. 2	Feb. 2
Okanagan Hel. p.	.15	Mar. 13	Feb. 20
Okanagan Tel.	.30	Mar. 2	Feb. 6
Do pfd.	0.20	Mar. 2	Feb. 6
O. Joc. C. 5½%p	.13¾	Apr. 15	Mar. 31
Do 6% pf	.15	Apr. 15	Mar. 31
Pac At. Cdn. Inv.	.03	Mar. 2	Feb 13
Do	.03	Jun. 1	May 15
Pac. West Airlines 6% 1st pf	.15	Mar. 1	Feb. 20
Do 6% 2nd pf	.15	Mar. 1	Feb. 20
Page-Hersey	.22½	Apr. 1	Mar. 16
Paton Mfg. 7% pf.	.35	Mar. 16	Feb. 28
Pembina P.L. pf	.62½	Mar. 2	Feb. 13
Photo Engravers	♦.35	Mar. 2	Feb. 16
Powell Riv.	.30	Mar. 16	Feb. 13
Prem. Steel pf	1.50	Mar. 2	Feb. 25
Premier Tr.	2.00	Apr. 1	Mar. 13
Pres Elec	.02½	Feb. 27	Jan. 27
Quemont M.	.20	Mar. 31	Mar. 2
P. L. Robertson	.20	Apr. 1	Mar. 20
Do pfd	.25	Apr. 1	Mar. 20
Robinson, Little A	.25	Feb. 28	Feb. 14
Do com.	.20	Mar. 31	Mar. 14
Rolland Pap. A	.25	Mar. 2	Feb. 16
Do B	.15	Mar. 2	Feb. 16
Do pfd	1.06¼	Mar. 16	Mar. 2
Royal Bk.	.50	Mar. 2	Jan. 31
St. Lawr. Corp.	.25	Apr. 24	Mar. 26
Do 5% A pf	1.25	Apr. 24	Mar. 26
Sal.-Shir.-Hor	.18	Mar 13	Feb. 24
Scythes & Co.	.25	Mar. 1	Feb. 12
Do 5% pf	.31¼	Mar. 1	Feb. 12
Shaw W&P 4% ser. A pf	.50	Apr. 2	Mar. 2
Do 4½% ser. B p	.56¼	Apr. 2	Mar. 2
Sheraton of Amer.	†.15	May 1	Apr. 2
Sherwin Wms.	.45	May 1	Apr. 10
Do 7% pf	1.75	Apr. 1	Mar. 10
Sicks' Brew.	.30	Mar. 31	Feb. 27
Do 6% pf	.15	Apr. 30	Mar. 31
Silknit Ltd.	.25	Mar. 16	Feb. 27
Do 5% pf	.50	Mar. 16	Feb. 27
Silverwood D. A	.15	Apr 1	Feb. 27
Do B	.15	Apr 1	Feb. 27
H. Sim. & Sons p	1.25	Mar. 2	Feb. 20
Simpson's Ltd.	.15	Mar. 16	Feb. 16
S.K.D. Mfg. 6% 1 p	.15	Mar. 1	Feb. 16
Do 6¼% 2nd pf	.31¼	Mar. 1	Feb. 16
N. Slater	.30	May 1	Apr. 10
Do pfd	.53	Apr. 13	Mar. 26
Southam Co.	.60	Mar. 28	Mar. 13
Stand. Brands	†.65	Mar. 16	Feb. 16
Stand. Oil	†.55	Mar. 10	Feb. 9
Stand Paving	.50	Apr. 1	Mar. 12
Stand. Radio	.15	Apr. 10	Mar. 20
Stand Str. St.	.15	Mar. 18	Feb. 10
Stedman Bros.	.30	Apr. 1	Mar. 20
Steinberg's Ltd.	▲.10	Mar. 12	Feb. 9
Do A	▲.10	Mar. 12	Feb. 9
Sterling Tr.	.50	Apr. 1	Mar. 16
D. A. Stuart Oil	.25	Mar. 2	Feb. 16
Sun Life Ass.	1.25	Apr. 1	Mar. 16
Supercrete	■stk. div.	....	Feb. 2
Superior Prop.	.10	Mar. 16	Feb. 27
Switson Ind.	.07	Mar. 31	Feb. 13
G. Tamblyn	.15	Apr. 1	Mar. 6
Do 4% pf	.50	Apr. 1	Mar. 6
Television Elect.	†.08	Feb. 28	Feb. 2
Third C. Gen. Inv.	.15	Apr. 15	Mar. 31
Thompson Pap. B.	.02	Mar. 2	Feb. 20
Tor. Elev	.25	Mar. 2	Feb. 12
Tor. Gen. Tr.	.40	Apr. 1	Mar. 6
Tor. Iron Wks.	.25	Apr. 1	Mar. 16
Do A	.25	Apr. 1	Mar. 16
Tor Sav's & Loan.	.25	Apr. 3	Mar. 20
Traders Fin. A	.60	Apr. 1	Mar. 9
Do B	.60	Apr. 1	Mar. 9
Do 4½% pf	1.12½	Apr. 1	Mar. 9
Do 5% pf	.50	Apr. 1	Mar. 9
Union Accept.	.07½	Apr. 1	Mar. 13
Do 2nd pf	.15	Apr. 1	Mar. 13
Un Corp. B .15 +	‡.35	Feb. 28	Jan. 30
Un. Fuel Inv. 6% p	.75	Apr. 1	Mar. 13
Un. Keno Hill	.06	Apr. 20	Mar. 20
Viceroy Mfg. A	.12½	Mar. 16	Feb. 28
Victoria & Grey Tr	.30	Mar. 16	Feb. 27
Virg. Dare pf	.31¼	Mar. 1	Feb. 17
Waite Amulet M.	.20	Mar. 10	Feb. 13
H. Walker-G. & W	.35	Apr. 15	Mar. 13
Westeel Prod.	.20	Mar. 14	Feb. 20
West. Can. Brew.	.30	Mar. 2	Jan. 31
G. Weston A	.15	Apr. 1	Mar. 10
Do B	.15	Apr. 1	Mar. 10
Do 4½% pf	1.12½	Mar. 2	Feb. 13
Do 6% pf	1.50	Mar. 2	Feb. 13
White P & Yuk. C.	▲.10	Mar. 15	Jan. 16
G. H. Wood pf	1.37½	Mar. 2	Feb. 14

▲—Initial.
†—U.S funds. ‡Extra.
*—The ex-dividend date is usually at least two full business days prior to the record date.
▲▲—1 5% cum. red. 2nd pf. sh. for ea. 5 shs held
**—Subject to approval of shldrs. at annual meeting, a stk. distrib. of 1 add. sh. for ea. 4 shs. held, will be made.
♦—First foll. 5 for 1 stk. split Nov./58.
■—stk. div. of 2 com. shs. (25c par) for ea. 100 shs. held.
■■First cash divd. foll. 4-for-1 stk. split.
♦♦—Plus 1 1/5 pf. sh. for ea. cl. A or B sh. held, 1/6 of stk. divd. to be redeem. Apr. 16.

Company Meetings

Date	Company	Place
Feb. 26	De Havilland Aircraft	Downsview, Ont.
Feb. 26	London Can. Insurance Co.	Toronto
Feb. 26	Nat. Hose. Mills	Hamilton
Feb. 27	Cdn. Gen. Invest.	Toronto
Feb. 27	Dow Brewery	Montreal
Feb. 27	Third Cdn. Gen. Invest.	Toronto
Mar. 2	New Calumet M.	Montreal
Mar. 5	Building Products	Montreal
Mar. 5	Can. Fdries. & Forg.	Brockville
Mar. 5	Robt. Mitchell Co. Ltd.	St. Laurent, P.Q.
Mar. 5	Superior Prop. Ltd.	Toronto
Mar. 6	Lake Cinch M.	Toronto
Mar. 6	Violamac M.	Toronto
Mar. 9	Cdn. Breweries	Vancouver
Mar. 11	Fraser Cos.	Edmundston, N.B.
Mar. 12	Bell Telephone	Montreal
Mar. 12	Johns-Manville Corp.	New York
Mar. 13	Bulolo Gold	Vancouver
Mar. 13	Massey-Ferguson Ltd.	Toronto
Mar. 13	Pato Cons.	Vancouver
Mar. 13	Placer Dev. Ltd.	Vancouver
Mar. 13	Steep Rock Iron	Steep Rock Lake, Ont.
Mar 18	Cdn. Reinsurance Co.	Toronto
Mar. 18	Granduc M.	Toronto
Mar. 25	Can. N.-W. Land Co.	Toronto
Apr. 1	Imperial Tobacco Co.	Montreal
Apr. 15	Asbestos Corp.	Montreal
Apr. 16	National Lead Co.	Sayreville N.J.
Apr. 20	London Cdn. Invest.	Montreal
Apr. 20	United Corp.	Montreal
Apr. 28	Home Oil	Calgary

Bond Redemptions

Bond Issues	Rate	Year	Date	Call pr.
*Algoma Cent. & Hudson Bay Railway Co., 1st mtge. inc. debs., stk and/or bds	5%	'59	Mar 10	■par
§Home Oil Co. Ltd., conv s.f. debs., 1956 ser.	5¾%	'71	Mar. 25	■par
▲Saint John Dry Dock Co. Ltd., S.F. debs.	5½%	'74	Mar. 15	■par

■—Plus interest.
*—All outstanding.
§—$190,000.
▲—$11,000.

Company Report

Financial

LONDON CANADIAN INVESTMENT CORP., Montreal, net profit of $249,494 for 1958 was 4.3% lower than 1957's $260,796.

Market value of assets at Dec. 31, 1958, was $10,989,637 ($8,906,250 a year earlier).

Corporation has arranged to refund, at its option, on a short term basis its outstanding $2 million 4% bonds at maturity June 1, 1959.

Break-up value of the 359,403 common shares outstanding at year-end and exclusive of those held for cancelation was $17.38 ($11.40 at end of 1957) a share.

Distribution of company's assets at Dec. 31, 1958, included bonds, debentures and notes, 29.4%; preferred stocks, 6.1%; common stocks, 62.9%.

Geographically, 75.1% of assets were in Canada, 19.7% in the U. S., 2.6% in British Commonwealth, and 2.6% elsewhere.

Annual meeting is April 20.

INCOME ACCOUNT		
Years Ended Dec. 31:	1958	1957
Total income	$411,844	$422,460
Less: Interest	91,163	91,236
Admin. exp.	48,837	48,719
Income tax	22,350	21,709
Net profit	249,494	260,796
Less: Pref. divds.	66,381	66,381
Class A	72,075	72,075
Common	93,033	93,033
Surplus for year	18,005	29,307
Times Int. Earned*	3.98	4.10

*After all expenses except income taxes.

Earnings per Share and Dividend Record:		
Preferred	$11.28	$11.79
Paid	3.00	3.00
Class A	7.62	8.09
Paid	3.00	3.00
Common	0.31	0.34
Paid	0.30	0.30
Shares o/s as at Dec. 31:		
Pref. $25 par	22,127	22,127
Class A, $5 par	24,025	24,025
Common, $1 par	359,403	359,403

CONDENSED BALANCE SHEET		
As at Dec. 31:	1958	1957
Cash	$138,045	$78,672
Accrued int.	39,584	31,724
Prep. chgs.	679	1,033
Investments‡	▲5,638,455	▲5,736,209
Total assets	5,816,763	5,847,638
Accts., tax., etc., p.	15,530	14,761
Sec. purch.	....	48,000
Bonds & notes	2,371,060	2,373,000
Capital stock	1,032,703	1,032,703
Capital surplus*	1,266,603	1,268,312
Earned surplus	1,130,867	1,112,862
‡Market value	10,811,329	8,794,821
▲After inv. res. of	3,131,782	2,910,338

*Arising from reorganization of capital structure.

Industrial Stocks

Continued from page 36

Range 1958-59 High	Low	Div. R'te $	Y'ld Feb20 %	Company	♦ Sales	Last Feb. 13	Week end. Feb. 20 High	Low	Close or Latest
41	41	*1.00	..	Willson Stat.	nil	..	B42	A45	41
98⅝	98⅝	5.00	5.1	Do. pref.	nil	..	B98	..	†98½
10	8¼	.50	5.0	Wilson, J. C.	nil	..	B9	A10	10
62	21	..	..	Windsor Hotel	110	60	62	62	62
600	460	..	..	Wpg. Win. Club	1	500	525	525	525
4.50	3.30	*.30	..	Wood Alex	nil	..	B4.25	A4.50	4.25
96	95½	5.50	5.7	Wood, G. H. 5½% p.	nil	..	B93½	..	96
31⅜	23	§.40	..	Wood, J. A	885	26½	27½	26⅛	26⅛
90	76	4.50	5.8	Do. pref.	15	76	79	78¼	78¼
.50	.50	..	..	Woodford A	nil	..	B.50	..	.50
†.10	†.10	..	..	Do. B	nil	..	B.10	..	†.10
41	39	*■	..	Woods Mfg.	nil	..	..	A40	40
20¾	10½	.35	1.7	Woodward A	2386	20½	20¾	20¼	20⅜
11.00	7.50	..	..	Do. A warr.	860	10.75	11.00	10.62½	10.87½
8.00	6.00	§.15	..	Wool Combing	120	6.87½	8.00	8.00	8.00
2.25	1.50	..	..	York Knitting A	nil	..	B1.75	A2.25	1.70
.33	.25	..	..	Do. B	nil	..	B.10	A.75	.25
40	26	1.20	3.2	Zellers	10	37	38	38	38
50	42	2.25	5.0	Do. 4½% pref.	5	45½	45	45	45

▲U.S. funds. ▲▲Participating divd. •Dividend action deferred. ■Stock divd. ♦♦Initial. †Less than board lot. ♦Note: When sales show nil the figures are bid, ask and latest sale. §Paid or declared in 1959. ‡Extra paid in 1958. *Paid in 1958. ■■On arrears. ▲▲On Redempt.

New Highs and Lows

During the week ended Feb. 21, 84 new highs and nine new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were 41 new highs and one new low. In western oils there were seven new highs and four new lows.

GENERAL

New Highs — 1958-59

Agnew Surp., Andian Nat., Ashdown Hde B, Atlas Steels, Bowater Pap., Br. Am. Bk. Notes, B.C. Forest, B.C. Tele rts, Bruck S. Mills A, C. Cr.&C. Stone, Can. Life, Can. Malting, C. Vinegars, C. Bk. Comm. rts, C. Chem., C. Dredge, C. Gen. Inv., Cdn. Salt, Cdn. Tire, C. Can. Invest., Consumers Gas, Corby's Vot., Coronation Mfg., R. L. Crain new, Cr. Zell (Can.) A, Dom. Electro, Do warr, Dom. Fdry, Dom. Scot. Inv., Du Pont of Can., Eddy Paper A, Fisher & Burpe A, Fleet Mfg., Ford Mot. (Can.)B, Fraser Cos., Gatineau Pwr., Gen. St. Wares, Goodyear Tires, G. Mackay B, Gt. Lakes Pap., Gurney Prod. com, Holden Mfg. B, H. Smith Pap., Imperial Bk., I. Invest 6¼% p, Ing. & Bell, Int. Paper, Int. Brew. B, Interp. Bld. Cr., Invest. Synd., Loblaw Comp. B, Do A warr, Macleod's A pr, Maher Shoes, Maple Leaf M., Massey Ferg., Do 4½% pfd, Mers. Pap. 5½%p, Morgan H., National Tr., Nfld. Lt. & Pwr., Ont. Jockey C., Do 6% pfd, Page Hersey, Photo Eng., Powell River, Prem. Iron Ore, Rolland Pap. A, Sal.-Shir.-Hor., Do warr., Sup. Propane w, Taylor Pearson, Tor. Elevators, Transair B, Un. Accept. 2nd p, Unt. Tel. Films, Universal, W. Can. Steel, Weston G. A, Do B, Do warr, White Hard pfd, Windsor Hotel, Wool Combing

New Lows — 1958-59

Alaska Yu. Pipe, Alaska Y. Refin p, Cdn. Oil 5% p, Caldwell Lin 1st p, Dom. Coal Pref., Mussens Can., Que. Telephone 5½% C.P. shs., Roe, A. C. Can.

MINING

New Highs — 1958-59

Aunor, Band-Ore, Bateman, Bethlehem, Bibis Yukon, Buffalo Ank., Cartier Q., Cent. Patricia, Chesterville, Chimo, Cleveland, Cons. Bi-Ore, Cons. Mogul, Fontana, Geco, Geo. Scientific, Granby, Hallnor, Hasaga, Hd. of Lakes, Irish Copper, Lake Osu, Lynx Yell., Madsen Red L., Marcon, New Far North, N. Formaque, N. Kelore, N. W. Amulet, Sheep Creek, Steep Rock, Sturgeon, Sunshine, Temagami, Tib. Explor., Tombill, Torbrit, Tribag, Ventures, Werner Lake, Winchester

New Lows — 1958-59

Bevcon Rts.

OILS

New Highs — 1958-59

Albedena, Cdn. Fortune, Cons. Mic Mac, Fargo, New Richfield, Triad, W. Decalta

New Lows — 1958-59

Kroy, Melton, Select Oils, Tidal Pete rts

ANNOUNCEMENT

DOMINION TAR ANNOUNCEMENT

A. H. MARDEN

Mr. W. N. Hall, president of Dominion Tar & Chemical Company, Limited, announces the retirement of Arthur Hollis Marden, after 35 years continuous service.

Mr. Marden was born in Portland, Maine, and came to Montreal in 1912 to work for the Barrett Company Limited. He occupied a number of positions in this Company, ultimately being appointed District Manager of their Ontario business.

He returned to Montreal in 1923 to organize a new Company for Dominion Tar — Alexander Murray & Company Limited (now Murray-Brantford). He continued as Vice-President and General Manager of that Company until 1947, when he was appointed Vice-President of the parent company.

In addition to his business career, Mr. Marden has been active in community work. He is Vice-President and Chairman of the Executive Committee of the Queen Elizabeth Hospital, Vice-President of the School for Crippled Children, Director of the Engineers Club, and a member of the Beaconsfield Golf Club and the Seigniory Club.

SOURIS VALLEY MERGER

Shareholder approval has been given for the merger of **Souris Valley Oil** with **Landa Oil** of Dallas, Texas. The exchange basis is believed to be on a basis of one share of Landa for each 25 shares of Souris. A total of 161,518 shares of Landa will be issued. Expansion of the drilling and land acquisition program in Western Canada is planned.

GRG

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TORONTO, ONTARIO

Company Reports

NEW CALUMET MINES had a net loss of $40,942 in the year ended Sept. 30, 1958, compared with a loss of $52,584 the previous year.

Mill operated at an average 343 tons daily with grade held at 6.5% zinc for the first six months and raised to an 8% average or better as a result of underground changes, J. M. Cunningham-Dunlop, president, reports.

The first period of six months resulted in an operating loss but this was recovered as a result of better grade and a slight increase in price.

U. S. import quotas are not expected to seriously affect shipments during the first three quarters of the year since shipments have been reduced lately, he says.

"On the brighter side of the picture, your company has contracted for the sale of its entire anticipated production of zinc concentrates to a powerful United States smelter for the next two years," he adds.

The subsidiary, **Cadieux Mines**, was reassessed and part of the **Grand Calumet Mining** property was examined with no ore indications of any consequence resulting. Company plans to re-examine **Tetagouche Exploration** holdings in New Brunswick this year. New Calumet has a 60% interest in a block of ground in the Mattagami Lake area where copper mineralization has been indicated.

INCOME ACCOUNT

Years Ended Sept. 30:	1958	1957
Production	$2,122,681	$2,362,002
Less: Mktg. chgs.	431,107	376,855
Oper. expenses	1,680,324	1,951,098
Oper. profit	11,250	34,049
Add: Interest	41,827	35,914
Taxes, recov.	16,000	19,000
Less: Deprec.	45,073	64,932
Def. dev. exp. w/o.	51,801	62,267
Outside explor.	13,145	14,348
Net loss and deficit	40,942	52,584
Earnings per Share		
Common	d$0.009	d$0.011
None paid.		
Shares o/s at Sept. 30:		
Common, $1 par	4,623,656	4,623,656

CONDENSED BALANCE SHEET

As at Sept. 30:	1958	1957
Cash & metal rec.	$1,346,973	$848,392
Marketable sec.•	24,528	....
Accts. rec.	2,617	502,113
Taxes recov.	17,499	17,534
Supplies	130,051	162,311
Prepaid exps.	16,238	19,626
Total curr. assets	1,537,906	1,549,976
Invest. assoc. cos.	374,877	362,186
Def. exps.	43,008	51,801
Option pay. min. cls.	....	2,000
Mining claims	546,332	546,332
Bldgs., mach., etc.*	108,286	151,508
Total assets	2,610,409	2,663,803
Accts., etc., pay.	51,696	47,409
Taxes pay.	1,656	2,395
Total curr. liabs.	53,352	49,804
Def. tax credit	....	16,000
Capital stock	1,334,236	1,334,236
Surplus	1,222,821	1,263,763
•Mkt. value	7,320	....
*After depr. of	1,980,792	1,941,267
Working capital	1,484,554	1,500,172

OPERATING STATISTICS

	1958	1957
Tons milled	104,844	142,324
Average recovery	$20.25	$16.60
Ore reserves, tons	151,987	165,800
Grade: Zinc, %	8.71	7.21
Lead, %	2.36	1.70
Silver, oz.	4.88	3.25
Gold, oz.	0.025	0.018

LAKE CINCH MINES had a profit of $527,803, equal to 17c a share, in 1958. In 1957, the company applied net proceeds of $517,929 from sale of ore to pre-production expenditures.

Company paid off its bank loan and other obligations, V. R. MacMillan, president, notes. Lake Cinch has a contract to ship ore containing 1.5 million lb. uranium oxide to the customs mill in the area. This contract expires Feb. 28, 1962.

"The original contract is for $15,750,000 gross value of uranium ore," says Mrs. MacMillan. "As the capacity of the customs mill is being increased, your company anticipates it will require contracts for additional ore."

Some 50,000 tons of ore, equal to about the tonnage shipped, were added to reserves. Recent drilling has shown ore continuity below the fourth level and the shaft will be deepened to a fifth level.

J. C. S. Moore, mining manager, reports that an orebody has been developed near surface in the River zone. Proved length is 75 ft., width 3 ft., and grade is 0.4% U_3O_8. Bottom has not been defined.

Radioactive zone east of the present working area on the second level is being examined. Several intersections on the fourth level of commercial grade remain to be examined.

INCOME ACCOUNT*

Year Ended Dec. 31:	1958
Production revenue	$1,747,190
Less: Oper. exps.	924,469
Operating profit	822,721
Less: Depreciation	125,398
Amort., preprod. exps.	173,103
Interest	4,606
Add: Other income	8,189
Net profit & surplus	527,803

*In the year ended Dec. 31, 1957, $517,929 net proceeds from sale of ore was applied against pre-production expenditures.

Earnings per Share	$0.165
None paid.	

CONDENSED BALANCE SHEET

As at Dec. 31:	1958	1957
Cash	123,702	14,883
Settlements rec.	142,728	102,325
Accts. etc., rec.	4,581	1,279
Deps., prep. exps.	....	7,775
Total curr. assets	271,011	126,262
Supplies, at cost	178,509	155,064
Invest. Basalt Bay	20,000	40,000
Security fund	391,541	....
Def. & prep. exps.	990,714	1,199,634
Mining cls. & land	10,680	10,680
Bldgs. & equip.	*703,261	790,452
Total assets	2,565,716	2,322,092
Bank advances	....	125,270
Accts. pay. & accr.	84,569	186,994
Total curr. liabs.	84,569	312,264
Capital stock	1,854,915	1,854,915
Contrib. surplus▲	154,913	154,913
Earned surplus	471,319	....

*After deprec. of $124,105.

▲Arising from reduction of capital in 1954.

Working capital	186,442	♦186,002

♦Excess of curr. liabs. over curr. assets.

OPERATING STATISTICS
Year Ended December 31

	1958
Tons shipped	52,084
U_3O_8, lb.	296,806
Revenue per ton	$33.55

100% CONVERSION

All outstanding 5¾% cumulative convertible Series B preferred shares of **Salada-Shirriff-Horsey Ltd.** have been converted into common shares plus cash adjustment, following company's call for redemption of the preferred (**FP**, Jan. 17), it is announced.

FERMAC PRINTERS
EM. 4-5311
230 ADELAIDE ST. W. - TORONTO

OSC Cancels Registration Of Investment Indicator

An undisclosed interest held by promotional interests resulted in cancelation of registration of Investment Indicator as a securities adviser, the January bulletin of the Ontario Securities Commission, reveals.

An appeal by Jack Leslie Gilbert and **Investment Indicator Ltd.**, was turned down by the full commission.

Here are the decisions of the OSC chairman, O. E. Lennox, and the full commission.

Decision of the Chairman: Investment Indicator Ltd., Jack Leslie Gilbert et al, Securities Adviser — Gilbert first obtained registration as a Securities Adviser in his own name. The venture was not successful and he surrendered his registration and applied for the registration of Investment Indicator Ltd., claiming to be the owner of 5,001 shares out of 5,003 shares issued. The application was granted as of Sept. 16, 1958.

As a result of an investigation being conducted by the Quebec Securities Commission we had reason to believe that the new registrant was being financed, or subsidized, by Omnibus Development Corp., a private company located in Montreal, and/or Harold Paul Henderson of Toronto, a former securities salesman who now describes himself as a "business consultant" and who apparently has effective control of Henderson Consultants Ltd. and Henderson Underwriters Ltd.

Gilbert admits under oath that Investment Indicator received financial aid in the amount of $5,000 through Henderson from Omnibus.

He is extremely vague as to the form of security he gave for the money advanced, but thinks he signed some form of assignment covering 2,500 shares out of the 5,001 shares he held in Investment Indicator.

He states the money was advanced about the middle of September or, in other words, at the time he obtained registration. It is reasonable to assume that the arrangements were made some time earlier and the advance was contingent upon his company being granted registration.

The Commission must of course insist upon complete independence on the part of an advisory service. Any semblance of independence is lost once financial assistance is accepted from anyone identified as being engaged in the promotional field.

A somewhat extraordinary letter addressed to Gilbert over the signature of J. L. Vezina, postmarked Montreal, Nov. 16, 1958, but incorrectly dated Oct. 16, 1958, establishes there was some working agreement between Gilbert and Omnibus. The letter reads as follows:

"Re, our telephone conversation we agree to return to you, the two thousand five hundred (2,500) shares you are holding in trust for us. On receipt of your cheque for one thousand five hundred ($1,500) we will regard this matter closed, and it will cancel automatically all connections whatsoever between Indicator Investment Ltd. and Omnibus Development Corporation Ltd."

This letter was evidently produced in the hope it would be accepted as evidence that Gilbert was now operating an independent service, and that the Commission would accept his statement that in fact his opinions had never been influenced, and that he had given independent, impartial advice throughout.

It cannot be accepted on this basis. It must stand as the most cogent single piece of documentary evidence available.

In this regard it should be noted that the evidence was manufactured after Henderson had been interrogated and, accordingly, was alerted to the fact that the registration of Investment Indicator was in jeopardy.

The haste with which they acted is indicated by the fact that the 16th of November was a Sunday and the postmark time was 9.00 p.m.

If further evidence is necessary to establish that both Omnibus and Henderson are active in the promotional field it is to be found in a prospectus of an oil and gas company, submitted for filing Oct. 16, 1958, in which Henderson is shown as the promoter and Omnibus as the purchaser of 250,000 shares for investment purposes. Henderson also has an interest in the vendor's position.

In its bulletin of Nov. 21, 1958, Investment Indicator refers to a low-priced Canadian gas and oil stock in the following terms:

"Our research work should be completed in time to enable us, in our next letter, to give subscribers all the details regarding a low-priced Canadian gas and oil stock which we think is ready to advance."

This recommendation is given considerable prominence, being placed at the top of a single-page bulletin, when the opening remarks for several weeks had been addressed to "The Market In General."

Gilbert denies that he was referring to Henderson's promotion which then was, and still is, in the process of filing, but he was unable to identify the issue in question but stated it was meant to refer to any one of several speculative situations which he was following.

Nothing really turns on this as otherwise the evidence is conclusive, but it has every indication of a build-up for the Henderson promotion if it was eventually accepted for filing and thus qualified for distribution in Ontario. Incidentally, the low-priced issue was not identified in the next bulletin of Nov. 28, 1958.

The evidence involving Gilbert is conclusive. It also appears that Henderson and Omnibus are closely associated. Over-all the foundation was laid for a formidable sales effort by virtue of this undisclosed interest in Investment Indicator held by promotional interests.

The registration of Investment Indicator Ltd., as a Securities Adviser, will be canceled forthwith, subject to the usual right of appeal.

Decision of the Commission as a Whole:

During the hearing and review, by way of appeal from the Order dated Dec. 4, 1958, canceling the registration of Investment Indicator, Mr. Gilbert's main submission was to the effect that he had no idea at the time that Omnibus Development Corp. was active in the promotional field, but understood that its business was that of lending money.

He was obliged to admit that the application of Investment Indicator Ltd. for registration, verified by his affidavit, was false and misleading in stating that the paid-up capital was $5,003 when in fact nothing had been paid on account of the shares allotted.

He explained that the money was expected: in other words, arrangements had already been made when the application for registration was submitted, as suggested in the reasons under review.

We are expected to accept his submission (although he has not produced any documentary evidence in support) that an agreement was reportedly prepared by a local solicitor acting for Omnibus.

We are given to understand that Gilbert even failed to obtain a copy of the agreement he signed. If the agreement is as represented, it would seem to be a simple matter to make arrangements for its production.

The evidence, as it stands and as we understand it, indicates a partnership agreement by which Omnibus' chance of recovery depended on the success of the venture, rather than an agreement dealing with a routine commercial loan. The effect of this evidence is not altered by the fact that the transaction was subsequently treated as a debt and was settled for $1,500.

This vague, unsupported, inconclusive evidence must be weighed against the fact that it is offered by a person who is responsible for filing a false application. We cannot accept the evidence, nor can we condone the filing of a false application.

The question also naturally arises why an effort is being made to restore the registration of an advisory service which has never been operated on a paying basis from the standpoint of the number of subscriptions received.

The appeal is dismissed.

ALGOM URANIUM MINES LIMITED

STOCK PURCHASE WARRANTS

Expiring March 2, 1959

Holders of Stock Purchase Warrants of Algom Uranium Mines Limited are reminded that Monday, March 2, 1959 is the last day for exercising these warrants.

Warrants to be exercised should be sent to the Royal Trust Company, 19 Richmond Street West, Toronto, Ontario, or 400 Craig Street, Montreal, Quebec, together with a remittance to cover the purchase price of the Common Shares to be purchased, so as to reach the Trust Company on or before March 2, 1959. Warrants are null and void after that date.

In order to enable holders of Stock Purchase Warrants who are resident in the United States to exercise their warrants, the Company has filed a registration statement with the Securities and Exchange Commission, Washington, D.C., under the Securities Act of 1933.

ALGOM URANIUM MINES LIMITED
335 Bay Street, Toronto

FOREST OUTPUT

From Our Own Correspondent

SASKATOON — Revenue from forest products in Saskatchewan during 1957-58 dropped by more than $1 million. Value totaled $7,693,874 in the period. Last year the figure was $8,984,361. A report tabled in the legislature says the decrease was due partly to a tightening up of management policies, but mainly to a general reduction in the forest harvest. Carryover from the previous year served many of the needs in 1957-58.

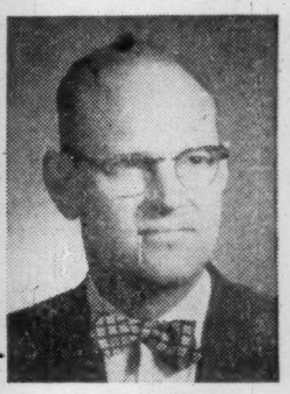
ANNOUNCEMENT

PIGOTT CONSTRUCTION EXECUTIVE APPOINTMENTS

J. J. PIGOTT

J. M. PIGGOT, JR.

A. C. SCHWENGER


M. J. AYKROYD

W. P. Pigott, President of Pigott Construction Co. Ltd., has announced several executive appointments in the Company. J. J. Pigott has been appointed vice-president in charge of operations, with headquarters in Toronto. J. M. Pigott, Jr., will be manager of the Hamilton Division. A. C. Schwenger takes over as manager of the Toronto office, and M. J. Aykroyd will continue as manager of the Quebec Division with headquarters in Montreal.

$500 to $104,000 in 4 years...

The story of *one* common stock Warrant, and how it happened.

The above profit was made by a $500 investment in one common stock *Warrant*. Such profits were made not only by an investment in *one* Warrant, (the R.K.O. common stock Warrant, whose story we shall shortly tell), but also in the Warrants of Atlas Corp., Tri-Continental, Richfield Oil, Merritt-Chapman & Scott, United Corp. and a good number of others. *In all of the above* $500 investments during the past years, each grew from $30,000 to $100,000. In the past year, indeed in the past months, new Warrants have again shown large gains and we should like to ask three questions:

1. Do you know what common stock warrants are?
2. Do you know why common stock warrants are issued?
3. Do you know how to keep abreast of opportunities in common stock warrants —when to buy warrants and when to sell warrants?

If you cannot affirmatively answer these three questions, we believe you will find it greatly to your profit to read:

THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS
1959 Edition by Sidney Fried

Before we go any further, we should like to make several points clear. The historical examples of profits in R.K.O. Warrants and Hoffman Radio Warrants which we shall shortly describe are obviously rare, and did not result from a reading of our publication. Further, the demonstrably large profits attained with many common stock warrants are balanced on the other side by equally demonstrable examples of losses. (Example: a $50,000 investment in Colorado Fuel & Iron Warrants in 1948 was worth about $1,000 just two years later.) What *is* immediately apparent, precisely in the above statistics, is the truly great *leverage* inherent in common stock warrants, both up *and* down, and our entire study, "The Speculative Merits of Common Stock Warrants," is aimed at enlarging the knowledge of investors about this particular type of security so that potential benefits may be enjoyed and potential pitfalls avoided.

THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS was first issued in 1949. Since that time, the book has been brought up-to-date three times, and favorable comment has multiplied. *Unsolicited* by the publishers, orders for the book have come in from heads of our largest corporations and some of the best financial minds in the country, *largely through recommendation by original readers.* Among its readers have been banks, insurance companies, and many of the largest investment firms. J. K. Lasser, the best-known tax expert in the country, has called this book "brilliant." The author of this work, Sidney Fried, has had a career including professional trader for investment firms, market analyst and financial writer for a well-known member firm of the N. Y. Stock Exchange, and is now recognized to be one of the most respected specialists in warrants and low-price stocks.

THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS is a sober, well-grounded book which we believe can be invaluable to you, as an investor interested in allocating a portion of your funds for capital growth. Let us give you *some* idea of what is contained in the pages of this book by partial answers to our original questions:

1. What are common stock warrants?

2. Why are they issued?

To give a brief definition, common stock warrants are certificates issued by the corporation itself, just as bonds, preferred stock and common stock are issued, giving the warrant holder the right to exchange the warrants for common stock issued by the company itself, at a stated price, within a stated period of time, or with no time limit at all, some warrants being perpetual.

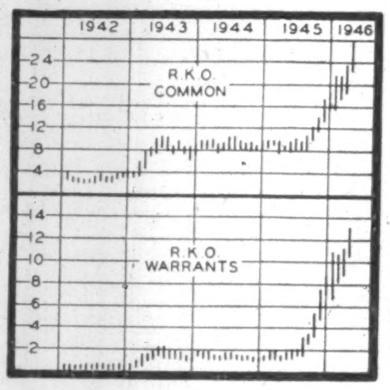
The Alleghany Corp. Warrant

A recent example: Alleghany Corp. *warrants* came into being in October 1952, are now listed on the American Stock Exchange, and give one the perpetual right to buy Alleghany common at $3.75 per share. How did this warrant come to be issued? A partial recapitalization for Alleghany Corp. was proposed in 1952 by which holders of 5½% preferred stock with back dividend accumulations of $116 per share were offered in exchange a new Alleghany Corp. bond *plus* warrants. Each $100 par share of the old 5½% preferred stock was to receive $100 par value of the new bond *plus* 20 warrants giving the perpetual right to buy 20 shares of Alleghany Corp. common at $3.75 per share. The warrants were offered as an *inducement* to the old preferred stockholders to exchange their claim to accumulated back dividends for a perpetual claim to Alleghany common stock—a claim which would become much more valuable should Alleghany common rise in market price. Preferred stockholders holding 100,000 shares of preferred stock accepted this plan and thus, 2,000,000 new Alleghany perpetual warrants were created and are now trading on the American Stock Exchange.

Demonstrating how important it is to watch common stock warrants, these new Alleghany warrants began trading initially around 75c when Alleghany Corp. common was selling at $3 on the N. Y. Stock Exchange. When Alleghany common advanced from $3 to $11, up 266%, the warrants (being the perpetual right to buy common at $3.75) went from 75c to 7⅞ on the American Stock Exchange. The warrants had advanced 950%, 3½ times as fast as the common. That is how *one* common stock warrant came into existence, and it is a fact that most warrants come about through reorganizations or issuance of new bonds or preferred stock to which common stock warrants are attached and, after issuance, traded separately. Common stock warrants possess, inherently, such a high potential, that they should always be foremost in the mind of an investor interested in capital appreciation. To see why, here is the story of the long-term warrant which produced our heading — $500 to $104,000 in 4 years — the R.K.O. common stock *warrant.*

The R.K.O. Warrant

In 1940 the Radio-Keith Orpheum Co. (R.K.O.) reorganized after some years of bad fortune. The old common stockholders seemed to fare badly. For each old share they received only 1/6th share new common stock *plus* one warrant, good to buy one share of new common stock from the company at $15 per share. In 1942 R.K.O. common was selling at a low of 2½ and with general pessimism rife, the chance of R.K.O. common ever selling above $15, at which point the warrants would begin to have some actual value, seemed slim. R.K.O. warrants were, therefore, selling on the N. Y. Curb Exchange at only 1/16 or 6¼c per warrant. How the picture changed in 4 years! As can be seen from the chart, R.K.O. common stock advanced to a high of 28⅛ on the N. Y. Stock Exchange. Now, the right to buy R.K.O. common at $15 per share from the company when it is selling at $28 per share on the open market, must be worth $13, and the warrants did sell exactly at $13 on the N. Y. Curb Exchange. *That* is the story of the R.K.O. warrant—*$500* invested in these warrants in 1942 was worth *$104,000* four years later.



Why is the common stock warrant so uniquely a potent vehicle for capital appreciation? The answer is given in a simple mathematical fact.

Between 1942 and 1946 R.K.O. common stock *went from $2.50 to $28:*

Therefore, a $500 investment appreciated to $5,600.

Between 1942 and 1946 R.K.O. warrants *went from 6¼c to $13.*

Therefore, a $500 investment appreciated to $104,000.

The warrant had appreciated *20 times* as fast as the common stock!

As is evident now, the common stock warrant is a low-price call on the future of a company, and at times *even on the future of an industry.* Such an opportunity arose in past years with a great new industry of limitless potential—television. The rapid growth enjoyed by some small companies, as distinguished percentagewise from the giants such as R.C.A., General Electric and Westinghouse, is illustrated by the leaping sales of Hoffman Radio, a West Coast producer of television, radio and special electronic apparatus. Those sales went from only $29,764 in 1941 to $5,112,889 in 1948 and soared to $29,580,510 in 1950.

The Hoffman Radio Warrant

The results were to be anticipated. The common stock which sold at a low of around 1¼ in 1948 was showing *earnings* of about $7 per share two years later and was selling near the 30 mark. There were common stock *warrants* outstanding in the Hoffman Radio capitalization giving the right to buy common at $4 per share. In 1948 the best bid indicated by the records for these warrants was 5c per warrant. Within two years the warrants were $25 bid. *Based on these prices a $200 investment in Hoffman Radio warrants was worth $100,000 two years later.* The same $200 invested in the common stock would have appreciated only to $4,800. Again the warrant had appreciated more than *20 times* as fast as the common.

To widen the picture even more, the years 1952-1958 saw a remarkable trend develop towards issuance of long-term warrants with the result that *former* opportunities in warrants have multiplied to the extent that they can no longer be ignored by any investor interested in capital appreciation. Below is a list of some of the warrants now outstanding, many actively trading today, many more of which will be actively trading in the months to come, and *all of which* can greatly reward your interest.

A Partial Current List of Common Stock Warrants

ACF-Wrigley Stores
Alleghany Corp.
Armour & Co.
Associated Artists
Associated Oil & Gas
Atlas Corp.
Baird-Atomic, Inc.
Belock Instrument
Black, Sivalls
Brewster-Bartle
Coastal States Gas
Colonial Sand & Stone
Colorado Oil & Gas
Crampton Mfg. Co.
Crowell-Collier
Danly Machine
Dunham-Bush, Inc.
Falcon Seaboard
Fibreboard Paper
General Acceptance
General Tire & Rubber
Genung's, Inc.
Glen-Gery Shale Brick
Gulf Sulphur
Invest. Co. of Amer.
Howe Sound
Jerrold Electronics
Kawecki Chemical
Kerr-McGee Oil
Kirby Petroleum
E. J. Korvette, Inc.
Lunn Laminates
Lynch Carrier Systems
Mack Trucks
Glenn Martin
McLean Industries
Molybdenum Corp.
National Alfalfa
National Telefilm
Nortex Oil & Gas
North Amer. Royalties
Ocean Drilling & Expl.
Orradio Industries
Pabst Brewing
Pac. Cement & Aggreg.
Pittsburgh Brewing
Producing Properties
Pyramid Electric
Reading & Bates
Raytheon Mfg. Co.
I. Rokeach & Sons
Servo Corp.
Sheraton Corp.
Sidney Blumenthal
Silex Co.
So. Georgia Nat. Gas
Sperry Rand Corp.
Standard-Thomson
State Loan & Finance
Stubnitz Greene
Symington Wayne
Trav-Ler Radio Corp.
Tri-Continental
U.S. & International
Van Norman Co.
Victor Products
Westmoreland Coal

Canadian Warrants

Algom Uranium
Bicroft Uranium
Can-Met Explorations
Canada Oil Lands
Can. Southern Oils
Can. Brit. Aluminum
Canadian Husky Oil
Canadian Oil Cos.
Consolidated Denison
Cree Oil of Canada
Falconbridge Nickel
Faraday Uranium
Fruehauf Trailer of Can.
Great Northern Gas
Gunnar Mines
Industrial Acceptance
Inland Natural Gas
Kilembe Copper
Loblaw Cos.
Lorado Uranium
Marshall Wells of Can.
North Canadian Oils
North Star Oil.
Northspan Uranium
Ontario Jockey Club
Pacific Petroleums
Patino of Canada
Rio Tinto Mining
Salada-Shirriff-Hor.
Spartan Air Services
Stanleigh Uranium
Superior Propane
Traders Finance Ventures Ltd.
Webb & Knapp of Can.
West Can. Oil & Gas
Western Decalta
George Weston Ltd.

Urgent Memo:

PLEASE NOTE as you read the dramatic story attached, that new profit opportunities in warrants are opening up every day. *Molybdenum Corp. of America Warrants* moved from 3.50 in late 1957 to 41 in current markets, multiplying 12 times. *General Tire and Rubber Warrants* moved from 4 to 90 in the last two years. And in the recent past new *warrants* have been issued for such important companies as *Mack Trucks, Kerr-McGee Oil Industries, Sheraton Corp., Sperry Rand, Symington Wayne* and *Glenn L. Martin,* to name only a few. *An Important Point:* in rising markets $100 invested in warrants can sometimes show as much appreciation as $1,000 invested in common stocks.

As a vehicle for large gains on a small investment, warrants are outstanding as this "$500 to $104,000" story demonstrates and we cannot emphasize too strongly that these large profits can be kept by the speculative investor as *capital gains.* But you must select with care. *To avoid missing current opportunities,* send for your copy of THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS, by Sidney Fried, today. This study gives the full story of the common stock warrant, what they are, when to buy warrants, and when to sell warrants. Included is a current list of *110 warrants you should know about in the coming months.*

Forbes Magazine, the highly-respected financial periodical, said of THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS, by Sidney Fried, that "... it throws a bright searchlight on a side of investment not known, or understood by the average investor," and went on to call the study "... the definitive work on this fascinating aspect of finance."

Common stock warrants have such rewards for those who understand them that many Wall Street professionals and average investors alike have praised THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS, by Sidney Fried, as vitally important to anyone interested in capital appreciation. Proving of real value to all who have given it careful reading, this study tells the entire story of the common stock warrant—what they are—why they are issued—when they may be profitably bought and sold—the dangers to watch for—the opportunities to seek. It has opened the door to a field of such potential that an investor ignores it only to his own detriment.

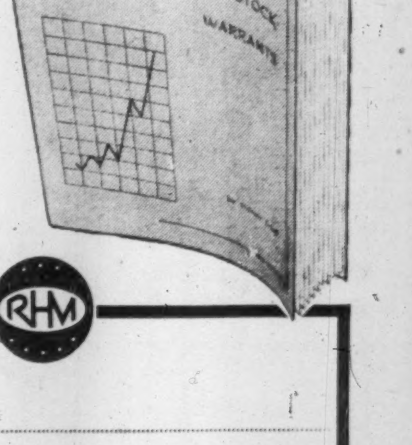
In the list given here, and in the many additional warrants now coming on the scene, there will be many future opportunities. So far we have only *suggested* what is contained in the pages of THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS. It is our opinion that no investor interested in capital appreciation can ignore the potential of the common stock warrant, and many share our opinion that this book is the best possible first step towards taking advantage of this potential.

The cost of the latest expanded edition is only $2. Use the coupon today, and receive your copy of this book which, in addition to presenting the complete picture of the common stock warrant, contains a full description of all outstanding warrants and describes a method by which you can take advantage of current opportunities in warrants in today's market.

Careful reading of this book *today,* will help you take advantage of the many warrant opportunities which will almost certainly develop *tomorrow.* THE SPECULATIVE MERITS OF COMMON STOCK WARRANTS, by Sidney Fried, *deserves* to be read by every investor.

Please fill out coupon below and mail today.

1959 Edition $2.00



RHM ASSOCIATES,
220 Fifth Avenue, New York 1, N.Y.
Dept. FP-19

Attached is $2. Please send me "The Speculative Merits of Common Stock Warrants," by Sidney Fried, together with Supplement.

NAME ....
STREET ....
CITY ....
PROVINCE ....

Question:

Can I still make profits investing $200 in the market?

Answer: The breakthrough of the 600 level of the Dow Jones indicates another fast run 30 or 40 points higher. The trader who starts now to look around for the stocks which the public will be buying after the run up is certain to score well. But the trader who watches and waits for the market to complete its move before he steps in will be acting as the end-consumer of stock-jobbers, and could get locked-into the market on the subsequent reaction. Since we're at the bottom of the trading cycle right now, Mitchell clients intend to shortly embark on a new series of trades which are bound to prove profitable in the near future. The trader who starts here with a few hundred dollars should be able to move into a sufficient number of situations to make an excellent rate of capital return.

Question: Which groups of stocks do you expect to produce the major profits?

Answer: We feel the copper and the oil groups contain the stocks to watch for action. The uraniums have had it, except for a few short-selling opportunities where money can be doubled at virtually no risk. The golds look promising, but this group has to be considered a secondary source of profits unless something fast happens to the price of gold. But the coppers and oils are stable commodities wherein promotional capital can always be expected to provide a few major winners. We bought Buffalo Ankerite last year at 80 cents a share, and we are now taking profits at $2.00 a share. In our new series of trades we plan to move these profits to other copper stocks with similar money-doubling potential. The same with Temagami, which we bought last year at 80 cents a share and which has since moved as high as $2.75. The profits here are now being taken to finance the accumulation of positions in publicly-abandoned stocks that have dropped to levels at which they have become promotionally attractive and ready for a major move. In the oil group we bought Western Decalta and Allied Roxana weeks before they started to soar higher; here we're also looking around for new and similarly profitable situations. We're not at all sure we've put our finger on the right one yet, but meanwhile our positions in Midcon, New Chamberlain and Zenmac have managed to show substantial profits.

Question: Sounds wonderful. Seems as though all I have to do is take the Mitchell service to become wealthy.

Answer: Not exactly. We've had our share of situations which didn't pan out in the short term as quickly as we anticipated. For example, we've had to stay with Okalta Oils the past year or so, picking up cheap stock at each new low to keep our costs in line with those of its sponsors. Every time the stock is shaken to new lows and we have to buy more, we wonder whether we're on the right track. But then we're reminded how successful we were when we followed the same approach with North Rankin—where we finally took profits at $1.90 on stock which we averaged down from 90 to 40 cents. Same with Devon-Palmer—which sprang to life the past few weeks at $1.60 a share after we spent the better part of a year buying stock at $1.20.

Considering every factor, including the amount of money you have at your disposal and the profitability record of Mitchell clients, traders who start with small initial capital investments have reason to expect profits to run around 40-50 percent per year. If this is the kind of profits that can satisfy you then we believe we can help you. Send $5.00 for a six weeks trial subscription and a free copy of our booklet: Making a Business of the Stock Market, to:

MITCHELL OF CANADA INC.
1420 Genesee Bldg., Buffalo 2, N.Y.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By FRANK KAPLAN

Traders and speculators are watching closely work under way in the Mattagami district of northwestern Quebec. Exploration activity first focused on the district about three years ago and has broadened out more each year.

Last year, interest intensified when **New Hosco Mines** hit a good hole to discover a new ore deposit. Already, it appears that there are at least four potential mines in the general district.

The property that started the fuss—**Mattagami Lake Mines**—could be the base for a zinc smelter in Eastern Canada.

Now, more companies are approaching the drilling stage after completing ground surveys and digesting ground acquired in the original disorganized staking rush.

Here are some of the companies to watch as their drills dig through the frozen muskeg.

	Latest Price $	mid-Feb. $	1958-59 High $	1958-59 Low $
New Hosco	1.36	1.29	7.25	0.13
Orchan	1.16	1.36	2.75	0.10
Daering	0.35	0.35	0.90	0.15
Joburke	0.20½	0.30	0.34	0.10½
East Sullivan	2.10	2.15	2.70	1.40

* * *

More earnings reports from mining companies. **American Nepheline** reports profits up slightly and equal to about 4c a share. Stock at 81c is off slightly from a recent 87c. **Kirkland Minerals** changes a loss to a profit and shares at 68c are little changed. Results were anticipated on the basis of earlier reports by the company.

Lake Cinch, the **ViolaMac Mines** subsidiary shipping uranium ore to the Lorado mill in the Beaverlodge area, reports earnings of about 17c in its first year. The shares at $1.15 ease slightly from $1.20 in mid-month. ViolaMac report is also out, showing 11c a share on a consolidated basis. Stock at $1.70 adds 2c.

Some interest in **Bateman Bay** as it lines up financing to get into production, if warranted, and arranges for possible custom milling of its copper ore. Shares flip ahead to 89c from a recent 68c.

* * *

Consolidated Halliwell is a high-spot at mid-week as it breaks through the $1 mark from around 90c recently. This is the Haiti copper property that is ready to swing toward production with financing arranged. Brisk trading said largely coming from New York interests.

Fatima Mining, a promising nickel property talking possibility of European backing, slips to 74c from 85c. **Jellicoe** is active among the penny speculatives but shows little price change as a large volume of shares churns through the tape. At 19½c, the stock is ahead 1c from mid-month.

Latest members of the Keevil group to move are **Geo-Scientific** and **Temagami**—practically his originals. Geo-Scientific climbs to $1.33 from around $1.20 and Temagami—a producing copper property—edges ahead to $2.50 from $2.15.

* * *

ON THE OIL AND GAS FRONT—Petrol Oil & Gas (called Pogo by floor traders because of its ticker abbreviation—POG) jumps like a pogo stick on conflicting rumors about drilling in the Simonette River area. Petrol flips ahead to $2.12 from $1.87 recently and then drops back in one day to $1.88.

Tidal rights expire next week with holders taking up additional stock at $1.72 getting a call on one share at $2 for each two taken up. The shares tend easier to $1.71 from around $1.80.

Triad is another wide-swinging oil as it bounces to a $6.75 top from $5.95 then drops back to $6. **Fargo** bumps ahead to $8.25 from $7.35 then slumps back to $6.60.

Company Report

Mining

AMERICAN NEPHELINE had a net profit of $159,672 in 1958, slightly ahead of the $154,678 profit recorded in 1957.

Sales were hit by increasing competition and lower market demand. This meant a decrease in volume of shipments as well as drop in value.

Main factor behind the profit increase, despite the drop in sales, was improved efficiency. Lower premiums on the Canadian dollar as well as lower interest charges also cut costs.

A total of 179,082 tons of ore was quarried from the Cabin Ridge area. Additional deposits were readied for mining with most work concentrated on the Kassh Ridge section.

Ore reserves were raised through a diamond drilling program to some 5,409,950 tons of assured ore. This is ahead of last year's estimate of 4,836,850 tons. In addition a further 1.5 million tons have been indicated.

From the winding up of **Lakefield Research,** Nepheline received $119,700 cash and a 17% interest in the successor company **Lakefield Research of Canada Ltd.** In addition some 37,800 shares of **Quebec Lithium** were received.

Outlook on a short-term basis is difficult to forecast, A. L. A. Richardson states in the annual report. But the company remains confident over the longer term.

With this in mind other deposits of nepheline syenite were examined. A total of four claims was staked in the Bancroft area adjacent to six claims acquired in the previous year.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Sales	$1,840,098	$2,155,713
Add: Inv. increase	378	2,992
Less: Oper. exps.	1,168,419	1,450,911
Oper. profit	672,057	707,794
Less: Depr.	370,540	385,028
Def. dev. w/o	10,035	4,107
Prov. for taxes	67,800	68,500
Disc. U. S. exch.	64,000	95,481
Net profit	159,672	154,678
Less: Dividend	164,000	164,000
Deficit for year	4,328	9,322
Earned per Share	$0.039	$0.038
Paid	0.04	0.04
Shares o/s as at Dec. 31:		
Common, 50c par	4,100,000	4,100,000

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1958	1957
Cash	$366,467	$306,666
Short-term invests.	393,035	195,507
Accts. rec.	179,164	288,698
Inventories	39,958	39,580
Prep. exps.	20,475	18,086
Total curr. assets	999,099	848,537
Supplies	164,400	185,518
Deferred devel.	78,997	24,548
Misc. assets	51,723	20,896
Mining props.	75,499	75,499
Bldgs., equip., etc.*	2,558,273	2,852,227
Total assets	3,927,991	4,007,225
Accts., etc., pay.	264,657	220,236
Taxes pay.	25,384	48,482
Total curr. liabs.	290,041	268,718
Mtge. loans	994,002	1,223,559
Deferred inc. tax	133,369	120,636
Capital stock	2,050,000	2,050,000
Capital surplus	374,964	374,964
Earned surplus	85,615	†30,652
*After depr. of	2,268,817	1,900,608
†Deficit.		
Working capital	709,058	579,819

Plan to Mill Bateman Ore At Merrill

A possible new producer is shaping up for the Chibougamau copper camp.

Merrill Island Mining Corp. has agreed to mill up to 500 tons of ore daily from **Bateman Bay Mining.**

The new Merrill mill has a 650-ton daily capacity which can be readily increased.

This producing copper-gold mine is about 10 miles from the Bateman property. The Merrill mill started last February.

Bateman is working underground at its property and has completed financing arrangements to get into production.

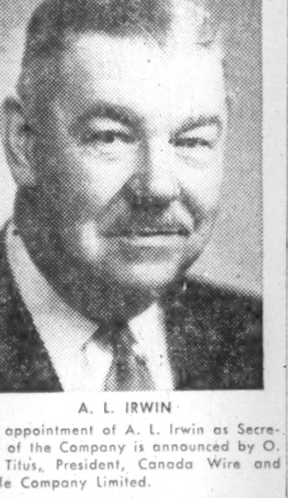
Some 400,000 shares have been taken up (200,000 at 40c and 200,000 at 5c). An issue of $24,000 6% convertible debentures is to be underwritten by **Newkirk & Co.,** by June 1959.

These debentures will be convertible at 60c a share until Sept. 30, $1 a share until Dec. and $2 thereafter. They will be repayable out of production.

Shaft is being deepened to open up two levels—the 375 ft. and 500 ft. where best results were obtained by surface drilling.

ANNOUNCEMENT

CANADA WIRE APPOINTMENT



A. L. IRWIN

The appointment of A. L. Irwin as Secretary of the Company is announced by O. W. Titus, President, Canada Wire and Cable Company Limited.

THE ELECTRO-MAGNETIC SURVEY

should be completed to-day, February 20th, on the Company's 1,400-acre Mattagami Lake property.

It indicated a good conductor in the same area that a conductor was pointed out by AFMAG last Fall.

Detailed E.M. work will now be done over the conductor, followed by detailed Magnetometer work, the whole to be completed on or before March 7th, in readiness for Diamond Drilling.

NORTH MATTAGAMI MINES LIMITED

MORE JAMAICAN CEMENT Caribbean Cement Co., Kingston, Jamaica, has officially opened a new 600,000-bbl.-per-year kiln that doubles its capacity. Sir William Stephenson, company's Winnipeg-born chairman, says 83% of company's shares are held in Jamaican registry now. Plant was started in 1952.

The CANADIAN FORECASTER

"12 PROFIT FACTORS . . ."

- - - designed for execution in the next 45 days - - -

3 IMPECCABLE INDUSTRIAL STOCKS for your long-term portfolio. Earnings, working capital and management consistently above average over the years. Stock currently trading near base of cycle and well-positioned for gains over next 3 to 12 months.

3 BASE METAL AND GOLD STOCKS for the conservatively speculative trader. These securities balance minimum risk against maximum profits over the near and medium term. Responsible, aggressive management behind the wheel, and property locations are first rate.

3 OIL AND GAS STOCKS on the verge of a pre-spring advance. Selected from hundreds of others because of superior reserves, assets, earnings and market potential.

3 TOP-HEAVY STOCKS TO BE SOLD SHORT near peak of their swings. Reap the profits on these short situations now and buy them later at base prices. Stocks nearly ripe for liquidation. Companies over-capitalized, with cash positions down.

PART II—"THE BEDROCK OF TODAY'S MARKET"—an industrial history of Canada's growth and development from 1604 to 1959. These chapters will give you a new perspective on your investments and their long-range prospects. Imperative for knowledgeable trading in Canadian stocks.

PART III—A COMPLETE LIST of Canadian securities on the SEC Restricted List, as of publication date. Traders should keep this up to date and on file.

SAFETY PLUS PROFITS—Just published (retail value $3.95), this new analysis is an example of high-level depth reporting and detailed research. "12 PROFIT FACTORS" is yours—**without cost**—when you become a new subscriber to THE CANADIAN FORECASTER on either a trial or regular basis. Each selected stock has been carefully chosen by our research department to give you substantial gains plus minimum risk. You will be advised when to commence accumulating, how much to pay and above all—when to liquidate.

THE FOLLOWING CRITICAL DECISIONS facing you during 1959 will sooner or later have to be resolved. How will you maneuver your securities through the hazards of an uncertain market as these situations arise?

DECISION #1—"Should I liquidate certain of my holdings at once, or should I maintain position for further profits?"

DECISION #2—"Of the thousands of stocks now trading on the Canadian exchanges, which should I commence accumulating for maximum gains, and how much should I pay?"

DECISION #3—"Should I average down or move out and take my losses?"

DECISION #4—"Exactly at what price should I place my stop-loss order, from the standpoint of both protecting my profits and minimizing risk?"

THE CANADIAN FORECASTER is an 8-page, weekly commentary on the Canadian market, giving buy, sell and stop-loss instructions on recommended securities. Our research staff explains why these moves should be made and keeps you informed as to new developments and important corporate decisions. You place orders with your own broker.

FREE PERSONAL HELP—Just as soon as you have become a subscriber, we will analyze all your Canadian holdings, providing unbiased opinion on the future prospects of each. This same service continues, at no extra cost, as long as you remain a client. Simply name stocks in your first letter. Write to THE CANADIAN FORECASTER, 231 Examiner Bldg., Calgary, Alberta, Canada. 60-day trial is $5 ($5.50 airmail). Annual fee is $45.

On To 1000 On The Dow

BOOM NOW MOVES INTO HIGH GEAR

Reactions that Worry the Weaker Traders Add to Market's Power

A week before the Dow-Jones Industrial Index finally pierced 600 last Friday, we reiterated our bullish stand with regard to selected mining issues, and endeavoured to quell squeamishness about the averages with two items in our weekly report: (1) a chart projecting the Dow straight upward through 600 following its reaction the previous Monday, and (2) the flat statement that: "Far from looking ready to cave in, a number of key Canadian industrials are almost set to break their highs of the last bull market and move on to new record levels."

We reviewed 13 of the most promising — recapitulating our advice of the previous week to buy Chrysler at $50 on the Toronto Stock Exchange. This had gained $3 in the intervening week, and we said: "Hold Chrysler now, and buy more Aluminium on any further break like last week's dip below $29." Chrysler has gained still another $3 in the interim — and Aluminium has stabilized once more above $30. By our calculations, the first of these is now starting a long-range move to $100, and the second is ready to shoot for $50.

BIG MOVES START FROM "TOO-HIGH" LEVELS

From these two pieces of analysis alone, you can possibly see why we say that the most profitable phase of the new bull market is really just starting. Bull markets have tended throughout history to commence their most volatile phases from levels which have looked like dizzy heights to unschooled observers. Not until a year or two later, when moves to new high ground have become commonplace, does such an observer's patience crack — causing him to buy so recklessly that informed interests are obliged to distribute their holdings and terminate the advance.

You've seen a little of this action in isolated cases during roughly the past six months. Every driving step a sprinter takes during a 100-yard dash sends a few more sprinters flying off the track — but this does not terminate the race. Before this market got off to its flying start of last Spring, it constructed the launching platform of professional accumulation massive enough to support wave after wave of bullish activity covering a two-to-three year period; and the move through 600 has used up less than one of those years.

Where'll we go in the next two years? Somewhere through 800 on the Dow is our calculation; and then we would expect the further reactionary consolidation which would set the market up for a final drive later in the 1960's to the figure of 1000 which we calculated as the Dow's long-range objective exactly a year ago.

If you'd like to study some of the reasoning behind this brand of analysis, send $5 for an eight-week trial subscription to the Cronenberg Canadian Reports.

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Worth Noting

CLEVELAND COPPER CORP. — Acquired 45,000 acres of Lake Erie offshore gas leases for $20,000; 200,000 shares released from escrow with proceeds from sale of shares to go to treasury; 1,033,333 shares remain in escrow; 200,000 shares underwritten at 15c and options granted on 600,000 shares at 15c to 25c a share.

CONSOLIDATED BI-ORE MINES plans sale of 50,000 shares on open market.

BATEMAN BAY MINING option installment covering 200,000 shares at 40c a share has been exercised.

TRINITY CHIBOUGAMAU MINES release of 60,000 shares from escrow.

BEVCON MINES — Option installment comprising 50,000 shares at 25c a share not exercised, agreement terminated.

BIDCOP MINES option installment of 100,000 shares at 20c a share not exercised, agreement lapsed.

CANADIAN HIGH CREST OILS payment received covering 30,000 shares at 45c a share under option agreement.

CAN-ERIN MINES subject to shareholder approval will grant options to employees on 300,000 shares at 75c a share.

CONSOLIDATED BELLEKENO MINES option installment of 100,000 shares at 20c a share not exercised, agreement terminated.

CROINOR PERSHING MINES issued 335,990 shares to **Perron Gold Mines** in settlement of indebtedness of $50,399.

GOLDFIELDS URANIUM MINES TSE filing statement, underwriting of 400,000 shares at 30c a share and options granted on 600,000 shares at 35c to 45c a share; acquisition of 350,000 shares of **Teck-Hughes** at $2.70 a share.

HARRISON MINERALS acquisition of option on 25 claims, Abitibi area of Quebec for $4,000; if exercised additional $1,900 will be paid and 200,000 shares (90% pooled) will be issued.

NEW DELHI MINES, TSE filing statement, acquisition of 22 claims in Nicola area of B.C. for 50,000 shares of stock (90% pooled).

KIRKLAND MINERALS CORP. TSE filing statement, acquisition of option on 19 claims Tyrrell twp., Ontario; to maintain option company must purchase 100,000 shares of **Reford Mines** for $12,500 and 50,000 shares of **Yarwood Ltd.** for $6,250; if exercised 400,000 shares to be issued to Reford (90% pooled).

ISLE DIEU MATTAGAMI MINES underwriting of 120,000 shares at 25c a share by **Ajax Petroleums;** options granted on further 1 million shares at 25c to 45c a share.

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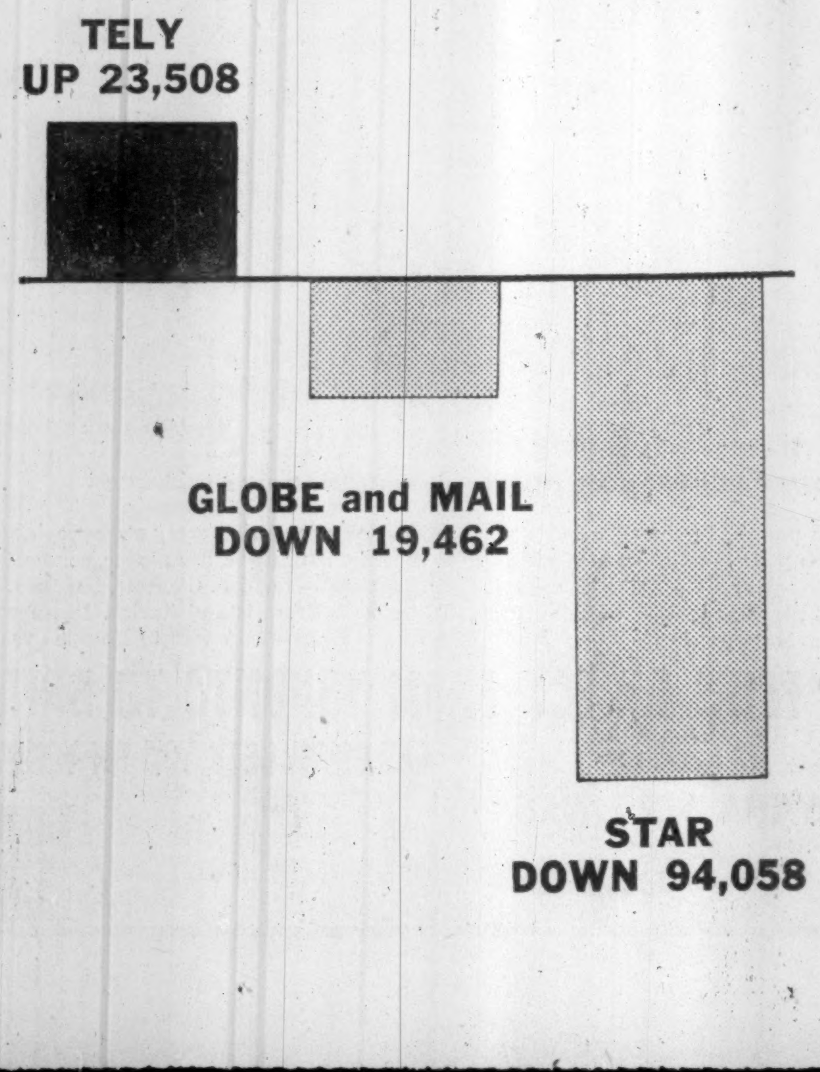

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